



Aurumin Limited
ACN 639 427 099

Notice of Extraordinary General Meeting

The Extraordinary General Meeting of the Company will be held as follows:

Time and date: 11.00 am (WST) on Friday 29th April 2022

Location: The Celtic Club at 48 Ord Street, West Perth, Western Australia

The Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from a suitably qualified professional advisor prior to voting.

Should you wish to discuss any matter, please do not hesitate to contact the Company Secretary by telephone on (08) 6555 2950.

Shareholders are urged to attend or vote by lodging the proxy form attached to this Notice.

Aurumin Limited
ACN 639 427 099
(Company)

Notice of General Meeting

Notice is given that the extraordinary general meeting of Aurumin Limited will be held The Celtic Club at 48 Ord Street, West Perth, Western Australia on Friday 29th April at 11.00 am (**WST**) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form each form part of the Notice.

Terms and abbreviations used in the Notice are defined in Schedule 1.

Agenda

Resolution 1 – Approval of acquisition by Middle Island of a Relevant Interest in Shares

To consider and, if thought fit, to pass the following as an ordinary resolution:

‘That for the purposes of item 7 of section 611 of the Corporations Act, and for all other purposes, approval is given for the Company to issue 9,000,000 Shares (being the Remaining Consideration Shares) in the Company to Middle Island as partial consideration to acquire 100% of the issued capital of Sandstone Operations in accordance with the SPA, as a result of which Middle Island will acquire a Relevant Interest in the Shares of the Company, on the terms and conditions and in the manner set out in the Explanatory Statement.’

Expert Report: Shareholders should carefully consider the Independent Expert Report prepared by Pendragon Capital Limited (**Pendragon**) at Schedule 2 for the purposes of Shareholder approval of Resolution 1, as required under item 7 of section 611 of the Corporations Act. The Independent Expert Report comments on the fairness and reasonableness to the existing Shareholders in the Company of the issue of the Remaining Consideration Shares to Middle Island. The Independent Expert has determined that the issue of Shares to Middle Island is not fair, but reasonable to the non-associated shareholders. Shareholders should carefully consider the Independent Expert Report.

Resolution 2 – Approval of acquisition by the Company of a Relevant Interest in Shares

To consider and, if thought fit, to pass the following as an ordinary resolution:

‘That for the purposes of item 7 of section 611 of the Corporations Act, and for all other purposes, approval is given to the Company for the acquisition by the Company of a Relevant Interest in the Voluntary Escrowed Shares as a result of the Company entering into voluntary

escrow agreements as described in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting.'

Voting exclusions

The Company will disregard any votes cast in favour of:

- (a) Resolution 1: by:
 - (i) the person proposing to make the acquisition and their Associates; or
 - (ii) the persons (if any) from whom the acquisition is to be made and their Associates;

(accordingly, the Company will disregard any votes cast on Resolution 1 by Middle Island and any of its Associates); and
- (b) Resolution 2: by a person who is party to a voluntary escrow agreement, and any Associates of those persons.

The above voting exclusions do not apply to a vote cast in favour of the relevant Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

BY ORDER OF THE BOARD

Arron Canicais
Joint Company Secretary
Aurumin Limited
Dated: 31st March 2022

Aurumin Limited
ACN 639 427 099
(Company)

Explanatory Memorandum

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held The Celtic Club at 48 Ord Street, West Perth, Western Australia on Friday 29th April at 11.00 am (**WST**).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes information about the following to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Action to be taken by Shareholders
Section 3	Background
Section 4	Resolution 1 – Approval of Acquisition of a Relevant Interest in Shares
Section 5	Resolution 2 – Approval of acquisition by the Company of a Relevant Interest in Shares
Schedule 1	Definitions
Schedule 2	Independent Expert Report
Schedule 3	SPA and SPA Amendments
Schedule 4	Sub-underwriting Agreement
Schedule 5	Voluntary Escrow Agreement

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Impact of COVID-19 on the Meeting

The health and safety of members and personnel, and other stakeholders, is the highest priority and the Company is acutely aware of the current circumstances resulting from COVID-19.

Based on the best information available to the Board at the time of the Notice, the Board considers it will be in a position to hold an 'in-person' meeting to provide Shareholders with a

reasonable opportunity to participate in and vote at the Meeting, while complying with the COVID-19 restrictions regarding gatherings. The Company, however, strongly encourages Shareholders to submit proxies prior to the Meeting.

If the situation in relation to COVID-19 were to change in a way that affected the position above, the Company will provide a further update ahead of the Meeting by releasing an ASX announcement.

2.2 **Voting in person**

Given the current COVID-19 circumstances and in the interests of public health and safety of our Shareholders, the Company will implement arrangements to allow Shareholders to physically attend the Meeting in accordance with COVID-19 protocols and government advice.

The Company will strictly comply with applicable limitations on indoor gatherings in force at the time of the Meeting. If you attend the Meeting in person, you will be required to adhere to COVID-19 protocols in place at the time of the Meeting.

2.3 **Proxies**

Shareholders are encouraged to vote by voting online or by lodging a Proxy Form.

Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Proxy Form provided with the Notice of Meeting.

2.4 **Chair's voting intentions**

Subject to the following paragraph, the Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

2.5 **Submitting questions**

Shareholders may submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing the Joint Company Secretary at arron@sccperth.com.au or Victor Goh at victor@sccperth.com.au by Wednesday 27th April at 11.00 am (WST).

Shareholders will also have the opportunity to submit questions during the Meeting in respect to the formal items of business. In order to ask a question during the Meeting, please follow the instructions from the Chair.

The Chair will attempt to respond to the questions during the Meeting. The Chair will request prior to a Shareholder asking a question that they identify themselves (including the entity name of their shareholding and the number of Shares they hold).

3. **Background**

On 16 December 2021, the Company announced that it had entered into a share purchase agreement with Middle Island Resources Limited (ASX: MDI) (**Middle Island**) and Sandstone Operations Pty Ltd (**Sandstone Operations**) (**SPA**) whereby the Company would acquire from Middle Island, 100% of the issued capital of Sandstone Operations (**Transaction**) (**December 2021 Announcement**).

Completion of the Transaction (**Completion**) is subject to a number of conditions precedent, the material terms of which were set out in the December 2021 Announcement, including:

- (a) the consideration for the Transaction pursuant the SPA is \$12,000,000, comprised of a \$6,000,000 cash payment and 30,000,000 Shares (**Consideration Shares**);
- (b) the Consideration Shares will be subject to a voluntary escrow period of 12 months, subject to early release in the event of a takeover, scheme of arrangement or as permitted by ASX.

The Company announced Completion had occurred on 21 March 2022.

The Company and Middle Island have entered into a voluntary escrow deed to govern the terms of the 12 month escrow on the Consideration Shares.

To fund the Company's obligations under the SPA, the Company sought to raise funds through:

- (a) entry into a convertible note agreement with Collins St Asset Management Pty Ltd (as trustee for the Collins St Value Fund) pursuant to which the Company issued 21,378,263 convertible notes with a face value of \$6,413,479 (**Convertible Notes**) to raise \$5,000,000 (before costs);
- (b) a placement to institutional and sophisticated investors of 12,500,000 Shares at an issue price of \$0.20 per Share to raise a total of \$2,500,000 (before costs) (**Placement**); and
- (c) a non-renounceable pro rata entitlement offer of 1 new Share for every 4 Shares held as at the relevant record date, at an issue price of \$0.20 per Share to raise a minimum of \$2,000,000 and a maximum of \$4,962,022 (before costs) (**Entitlement Offer**), which Entitlement Offer was partially underwritten by Lazarus Corporate Finance Pty Ltd (**Lazarus**) in the amount of \$2,000,000 (**Underwritten Amount**).

An aggregate of \$7,500,000 was raised from the Convertible Notes and the Placement.

On 8 February 2022, the Company announced that the closing date of the Entitlement Offer had been extended to 24 February 2022. In connection with the extension:

- (a) Middle Island and Lazarus have agreed to enter into a sub-underwriting agreement pursuant to which, Middle Island will partially sub-underwrite the Entitlement Offer to the extent of \$1,000,000 (**Sub-underwriting Agreement**), a copy of which is provided at Schedule 4; and
- (b) Middle Island, Sandstone Operations and the Company have entered into three amendments to the SPA pursuant to which, Middle Island will be issued the Consideration Shares in two tranches, one which will be issued post-Completion (**SPA Amendments**), a copy of each of which is provided with the SPA at Schedule 3.

Each of the SPA Amendments are intended to ensure that Shareholders can vote on the issue of the second tranche of Consideration Shares, which if approved, will increase Middle Island's interest in the Company to above 20%, as set out in Section 4.3.

3.2 **Summary of SPA Amendments & Sub-underwriting Agreement**

Pursuant the SPA Amendments and Sub-underwriting Agreement:

- (a) the Company and Middle Island have agreed to amend the SPA to the effect that:
 - (i) the number of Shares issued as consideration to the Middle Island at Completion be amended to approximately 21,000,000 Shares (being the maximum number of Shares that may be issued to Middle Island, such that the Middle Island's Relevant Interest in the Company is not greater than 20% at the time of issue of Shares);
 - (ii) the remaining 9,000,000 Shares (**Remaining Consideration Shares**) will be issued by the Company to Middle Island following Completion, subject to the approval of the Shareholders under section 611, item 7 of the Corporations Act to issue the Remaining Consideration Shares (at an agreed deemed value of \$0.20 per Remaining Consideration Share); and
 - (iii) if Shareholder approval is not obtained in accordance with paragraph 3.2(a)(iii) by 30 April 2022, the Company must pay Middle Island the cash value of the Remaining Consideration Shares (being at the agreed deemed value of \$0.20 per Remaining Consideration Share); and
- (b) Middle Island has agreed to partially sub-underwrite the Entitlement Offer in the amount of up to 5,000,000 Shares (being in the amount of \$1,000,000).

4. **Resolution 1 – Approval of Acquisition of a Relevant Interest in Shares**

4.1 **Corporations Act prohibition**

Prohibition against acquisition of a Relevant Interest

Section 606(1) of the Corporations Act provides that a person must not acquire a Relevant Interest in issued voting shares in a company if:

- (a) the company is a listed company or an unlisted company with more than 50 members; and
- (b) the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person; and
- (c) because of the transaction, that person's or someone else's voting power in the company increases from 20% or below to more than 20% or from a starting point that is above 20% and below 90%.

For the purposes of the prohibition under section 606(1) of the Corporations Act, section 608 of the Corporations Act provides that a person has a Relevant Interest in securities if they:

- (a) are the holder of the securities; or
- (b) have power to exercise, or control the exercise of, a right to vote attached to securities; or

- (c) have power to dispose of, or control the exercise of a power to dispose of, the securities.

It does not matter how remote the Relevant Interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

The voting power of a person is determined under section 610 of the Corporations Act by calculating the number of voting shares in the company in which the person and the person's Associates have a Relevant Interest.

For the purpose of determining voting power, a person (second person) will be an "Associate" of the other person (first person) if:

- (a) the first person is a body corporate and the second person is:
 - (i) a body corporate the first person controls;
 - (ii) a body corporate that controls the first person; or
 - (iii) a body corporate that is controlled by an entity that controls the first person;
- (b) the second person has entered or proposes to enter into a relevant agreement with the first person for the purposes of controlling or influencing the composition of the company's board or the conduct of the company's affairs; and
- (c) the second person is a person with whom the first person is acting, or proposing to act, in concert in relation to the company's affairs.

Exceptions to the section 606(1) prohibition

There are various exceptions to the prohibition in section 606(1) of the Corporations Act. Section 611 of the Corporations Act contains a table setting out circumstances in which acquisitions of Relevant Interests are exempt from the prohibition.

Item 7 of this table provides an exception where the acquisition is approved by a resolution passed at a general meeting of the company before the acquisition is made. Votes cast on the resolution by the parties involved in the acquisition and their Associates are disregarded.

4.2 Shareholder approval

Resolution 1 seeks approval, for the purposes of item 7 of section 611 of the Corporations Act, the issuance by the Company of the Remaining Consideration Shares to Middle Island, as a result of which Middle Island will acquire a Relevant Interest in the Company's shares, on the terms and conditions and in the manner set out in the Explanatory Statement.

4.3 Information required by item 7 of section 611 of the Corporations Act and ASIC Regulatory Guide 74

Table 1 sets out the information required to be provided to Shareholders under item 7 in the table in section 611 of the Corporations Act and ASIC Regulatory Guide 74.

Shareholders are also referred to the Independent Expert Report set out in Schedule 2.

On Completion, the voting power of Middle Island in the Company increased from 0.00% to 19.96%. In the event that all of the Remaining Consideration Shares are issued (**Post-Completion Acquisition**), then the voting power of Middle Island will increase to 25.14%.

Table 1

The figures in Table 1 have been calculated based on the Company's current issued capital and assume that the maximum number of Remaining Consideration Shares will be issued and that the Entitlement Offer will be subscribed up to the Underwritten Amount. In the event that the Company raises further funds in the future, the figures in Table 1 may be reduced.

Information required by item 7 of section 611 of the Corporations Act	
The identity of the persons proposing to make the acquisition and their Associates	<p>As a result of the acquisition under the SPA (including the issue of the Remaining Consideration Shares following Completion) and assuming Middle Island receives the maximum available 5,000,000 Shares under the Sub-Underwriting Agreement, Middle Island will have a direct shareholding of 25.14%.</p> <p>Middle Island does not have any other Associates which holds or will hold Shares.</p>
The maximum extent of the increase in voting power in shares of Middle Island that would result from the acquisition	<p>As a result of the Post-Completion Acquisition, the voting power of Middle Island will increase as shown below:</p> <ul style="list-style-type: none"> • upon Completion: from 0.00% to 19.96%; and • upon completion of the Post-Completion Acquisition: from 19.96% to 25.14%.
The voting power that Middle Island would have in shares as a result of the acquisition	<p>As a result of the Post-Completion Acquisition, the voting power that Middle Island will have is shown below:</p> <ul style="list-style-type: none"> • upon Completion: 19.96%; and • upon completion of the post-Completion Acquisition: 25.14%.
The maximum extent of the increase in voting power for the Associates of Middle Island that would result from the acquisition	<p>Middle Island does not have any other Associates which holds or will hold Shares.</p> <p>As a result of the Post-Completion Acquisition, the voting power of Middle Island (or its nominees) will increase as shown below:</p>

Information required by item 7 of section 611 of the Corporations Act	
	<ul style="list-style-type: none"> • upon Completion: from 0.00% to 19.96%; and • upon completion of the post-Completion Acquisition: from 19.96% to 25.14%.
The voting power that the Associates Middle Island that would result from the acquisition	<p>Middle Island does not have any other Associates which holds or will hold Shares.</p> <p>As a result of the Post-Completion Acquisition, the voting power of Middle Island (or its nominees) will increase as shown below:</p> <ul style="list-style-type: none"> • upon Completion: from 0.00% to 19.96%; and • upon completion of the post-Completion Acquisition: from 19.96% to 25.14%.
Information required by ASIC Regulatory Guide 74	
An explanation of the reasons for the proposed acquisition	<p>Refer to the Explanatory Statement for the reasons and rationale for the Post-Completion Acquisition.</p>
When the acquisition is to occur	<p>Completion of the post-Completion Acquisition is anticipated on or before 30 April 2022, however this remains subject to change and will depend on the timing of satisfaction of the conditions to the Post-Completion Acquisition.</p> <p>Full details of the conditions to the Post-Completion Acquisition are set out in the SPA Amendments, copies of each of which are provided at Schedule 3.</p>
The material terms of the proposed acquisition	<p>It is expected that after Completion, Middle Island will hold 19.96% and existing Shareholders and subscribers under the Entitlement Offer will hold 80.04% of the Company.</p> <p>However, following completion of the Post-Completion Acquisition, Middle Island will hold 25.14% and existing shareholders of the Company will hold 74.86% of the Company.</p> <p>Refer to the Explanatory Statement for an overview of the relevant terms of the SPA and the material terms of the Sub-underwriting Agreement.</p>

Information required by item 7 of section 611 of the Corporations Act	
	Full details of the conditions to the SPA and other agreed terms are set out in the December 2021 Announcement.
<p>Details of the terms of any other relevant agreement between any of Middle Island and the Company that is conditional on (or directly or indirectly depends on) Shareholders' approval of Resolution 1</p>	<p>The Post-Completion Acquisition (being the issue of the Remaining Consideration Securities) is conditional and dependent on the Shareholder approval of Resolution 1.</p> <p>In the event Shareholders do not approve Resolution 1, the Company may still complete the SPA, however, the Company will be required to pay Middle Island in cash the value of the Remaining Consideration Shares (at an agreed deemed value of \$0.20 per Remaining Consideration Share).</p> <p>There are no other relevant agreements between Middle Island (or its Associates) and the Company that are conditional on (or directly or indirectly depend on) Shareholder approval of Resolution 1.</p>
<p>A statement of Middle Island's intentions regarding the future of the Company if Shareholders approve the acquisition</p>	<p>Should the Shareholders approve the Post-Completion Acquisition, Middle Island intends that the Company will have the sole control in respect and the Company's strategic priorities and business plan of the Company (including control of the projects managed by Sandstone Operations).</p> <p>Middle Island will retain a significant indirect interest in the upside potential of Sandstone Operations through Middle Island's shareholding in the Company. This aligns with their strategy which has been to realise a return on the Sandstone assets by exploring the project potential, seeking amalgamation of proximal assets through acquisition and corporate activities.</p> <p>Through the sale of Sandstone Operations and acquisition of an interest in the Company, Middle Island aims to deliver the best value to its shareholders, relying on the Company's management expertise and track record to realise the potential of Sandstone Operations.</p> <p>Middle Island's core focus is now directed at its highly prospective Barkly copper gold super project in the Northern Territory.</p>

Information required by item 7 of section 611 of the Corporations Act	
Any intention of Middle Island to significantly change the financial or dividend policies of the Company	<p>There is no intention to significantly change the financial or dividend policies of the Company following both Completion and completion of the post-Completion Acquisition.</p> <p>The Board of the Company will undertake a review of the financial and dividend policies previously adopted by the Company in the ordinary course.</p>
The interests that any Director has in the acquisition or any relevant agreement	<p>The current Directors of the Company are:</p> <ul style="list-style-type: none"> • Piers Lewis (Non-Executive Chairman); • Brad Valiukas (Managing Director); • Shaun Day (Non-Executive Director); and • Darren Holden (Non-Executive Director). <p>The Directors do not have any interest in the SPA, the Sub-underwriting Agreement nor any related agreement and any transactions contemplated by those agreements.</p>
Details about any person who is intended to become a Director if Shareholders approve the Resolution	<p>There is no intention to appoint a new Director if Shareholders approve Resolution 1.</p>
A statement of Middle Island's intention to change the business of the Company	<p>Other than as a result of the Transaction, Middle Island has no present intention of making any significant changes to the business of the Company.</p>
A statement of Middle Island's intention to inject further capital into the Company	<p>Middle Island has no present intention to inject further capital into the Company.</p>
A statement of Middle Island's intention as to the future employment of present employees of the Company	<p>Other than as a result of the Transaction, Middle Island has no intention of making any changes regarding the future employment of the present employees of the Company.</p>
A statement of Middle Island's intention regarding any proposal where assets will be transferred between the Company and Middle Island or their associates	<p>Other than as a result of the Transaction, Middle Island has no present intention to transfer any assets between the Company and Middle Island or any of their associated entities or associates.</p>

Information required by item 7 of section 611 of the Corporations Act	
A statement of Middle Island intention to otherwise redeploy the fixed assets of the Company	Middle Island has no present intention to redeploy any fixed assets of the Company.

5. **Resolution 2 – Approval of acquisition by the Company of a Relevant Interest in Shares**

5.1 **Background**

The Company intends to issue the Consideration Shares (including the Remaining Consideration Shares) (**Voluntary Escrowed Shares**) in accordance with Resolution 2. The Company will not seek quotation of Voluntary Escrowed Shares and Middle Island (the allottee) will enter into a voluntary escrow arrangement with the Company.

Under the Corporations Act, by entering into the voluntary escrow agreement (a copy of which is provided at Schedule 5), the Company is deemed to take a 'Relevant Interest' in itself as the Company will acquire a maximum of 21.55% of the Company's total issued capital. As the Voluntary Escrowed Shares represent more than 20% of the Company's issued share capital, in order for the voluntary escrow agreements to become effective and for the voluntary 12-month escrow period (**Escrow Period**) to commence, the Company must obtain Shareholder approval.

5.2 **Material terms of the voluntary escrow agreement**

Non-disposal of Voluntary Escrowed Shares

The voluntary escrow agreement provides that Middle Island will not do any of the following during the 12 month restriction period:

- (a) dispose of, or agree or offer to dispose of, the Voluntary Escrowed Shares;
- (b) create, or agree or offer to create, any security interest in the Voluntary Escrowed Shares; or
- (c) do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of the Voluntary Escrowed Shares.

The voluntary escrow restriction agreements do not affect Middle Island's power to:

- (a) exercise, or control the exercise of, a right to vote attached to a Voluntary Escrowed Share;
- (b) receive or entitlement to any dividend, return of capital or other distribution attaching to the Voluntary Escrow Shares; or
- (c) receiving or participating in any right or bonus issue in connection with the Voluntary Escrow Shares.

Holding Lock

The Voluntary Escrowed Shares will be subject to a holding lock which the Company may apply in order to prevent a transfer of the Voluntary Escrowed Shares by:

- (a) giving notice to the Share Registry to apply the holding lock; and
- (b) refusing to register a paper-based transfer document in respect of the Voluntary Escrowed Shares.

Exceptions to voluntary escrow

The Voluntary Escrow Shares may be dealt with in the following ways during the Escrow Period:

- (a) in the event that a takeover offer is made under Chapter 6 of the Corporations Act where holders of at least 50% of the bid class securities in the capital of the Company (excluding the Voluntary Escrowed Shares) have accepted the takeover offer, Escrowed Parties may transfer or sell the Voluntary Escrowed Shares;
- (b) in the event that the Voluntary Escrow Shares are to be disposed of, transferred or cancelled as part of a merger being implemented by scheme of arrangement under Part 5.1 of the Corporations Act, share buyback or other similar reorganisation or acquisition of share capital which has received all necessary approvals;
- (c) to the extent that the dealing with any or all of the Voluntary Escrow Shares is required by any applicable law or the ASX Listing Rules or the Corporations Act;
- (d) subject to receiving the prior written approval of the Company, in the event that the disposal constitutes a disposal of, but not the creation of a security interest in some or all of the Voluntary Escrow Shares to:
 - (i) a company wholly-owned by Middle Island;
 - (ii) a trust in relation to which Middle Island is the beneficiary;
 - (iii) an affiliate of Middle Island; or
 - (iv) any custodian which is to hold bare legal title to the Voluntary Escrow Shares,
 (each a **Transferee**), where the Transferee also enters into an escrow arrangement with the Company in respect of those Voluntary Escrow Shares on substantially the same terms as this deed for the remainder of the Escrow Period.

5.3 Shareholder approval

Resolution 2 seeks Shareholder approval for the purposes of item 7 section 611 of the Corporations Act for the Company to acquire a Relevant Interest in its own Shares as a result of entering into a voluntary escrow agreement with Middle Island. As the voluntary escrow agreement will provide the Company with the ability to exercise a degree of control over the disposal of the Shares held by Middle Island, the Company will acquire a Relevant Interest in those Shares, representing up to a maximum of 21.55% of the Company's total issued capital.

The commencement of the operation of the voluntary escrow agreement (the material terms of which are set out below) is conditional on Resolutions 2 being passed at this Meeting. For the avoidance of doubt, if this Resolutions 2 is not approved by Shareholders, any voluntary escrow agreement that the Company has entered into will be of no effect.

5.4 Corporations Act prohibition

Prohibition against acquisition of a Relevant Interest

As set out above in the Explanatory Statement for Resolution 1, section 606(1) of the Corporations Act prohibits a person from acquiring shares in a company if, after that acquisition, that person or any other person would have a Relevant Interest or voting power in excess of 20% of the voting shares in that company unless an exception applies.

Exceptions to the section 606(1) prohibition

There are various exceptions to the prohibition in section 606(1) of the Corporations Act, including an acquisition of a Relevant Interest in the voting shares of a company if the company has agreed to the acquisition by resolution passed at a general meeting, at which no votes are cast in relation to the resolution by the person to whom the shares are to be issued or by an associate of that person.

By virtue of the voluntary escrow agreement, the Company is deemed to be acquiring a Relevant Interest in its own Shares, however, the Company will not obtain any power to influence the exercise of any votes attaching to the Shares. The Company (and its Associates) will technically increase its voting power in itself and acquire a Relevant Interest as the Company will have enforcement rights in relation to the disposal of the Voluntary Escrowed Shares pursuant to the holding lock.

5.5 Information required by item 7 of section 611 of the Corporations Act and ASIC Regulatory Guide 74

Table 2 sets out the information required to be provided to Shareholders under item 7 in the table in section 611 of the Corporations Act and ASIC Regulatory Guide 74.

Table 2

Information required by item 7 of section 611 of the Corporations Act	
Identity of the parties acquiring the Relevant Interest	The Company.
Maximum extent of the increase in the Company's voting power	The Company currently has no interest in any of its Shares. The maximum extent of the Company's increase in voting power in itself is 21.55% of the total Shares on issue.
Voting power that the Company would have as a result of the holding lock	The Company will be deemed to have the voting power of 21.55% in the Company, however as described above, the Company will not obtain any power to influence the exercise of any votes attaching to the Voluntary Escrowed Shares. Rather its voting power results from a Relevant Interest arising due to entry into an agreement with Middle Island that restricts the disposal of Voluntary Escrowed Shares.

Maximum extent of the increase in the voting power of the Company's associates in the Company	Any Associate of the Company will be deemed to have the same increase in voting power as the Company, being 21.55%, due to the holding lock
Voting power of the Company's associates as a result of the holding lock	Any Associate of the Company will be deemed to have the same voting power as the Company, being 21.55%, due to the holding lock.

Schedule 1 Definitions

In the Notice, words importing the singular include the plural and vice versa.

\$ or A\$	means Australian Dollars.
ASX	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
Board	means the board of Directors.
Chair	means the person appointed to chair the Meeting of the Company convened by the Notice.
Collins St	means Collins St Asset Management Pty Ltd (ACN 601 897 974).
Company or Aurumin	means Aurumin Limited (ACN 639 427 099).
Consideration Shares	means up to 30,000,000 Shares to be issued to the Middle Island (or its nominees) pursuant to the SPA.
Convertible Notes	has the meaning given in Section 3.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
December 2021 Announcement	has the meaning given in Section 3.
Director	means a director of the Company.
Entitlement Offer	has the meaning given in Section 3.
Escrow Period	has the meaning given in Section 5.1.
Explanatory Memorandum	means the explanatory memorandum which forms part of the Notice.
Lazarus	means Lazarus Corporate Finance Pty Ltd (ACN 149 263 543).
Listing Rules	means the listing rules of ASX.
Meeting	has the meaning given in the introductory paragraph of the Notice.
Middle Island	means Middle Island Resources Limited (ACN 142 361 608).
Notice	means this notice of general meeting.
Pendragon	means Pendragon Capital Limited (ACN 008 963 755).
Post-Completion Acquisition	has the meaning given in Section 4.3.
Proxy Form	means the proxy form attached to the Notice.
Remaining Consideration Securities	means up to 9,000,000 Shares to be issued to the Middle Island (or its nominees) pursuant to the SPA, the subject of Resolution 1.

Resolution	means a resolution referred to in the Notice.
Sandstone Operations	means Sandstone Operations Pty Ltd (ACN 611 811 280).
Schedule	means a schedule to the Notice.
Section	means a section of the Explanatory Memorandum.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a Share.
SPA	has the meaning given in Section 3.
Sub-underwriting Agreement	has the meaning given in Section 3.
Transaction	has the meaning given in Section 3.
WST	means Western Standard Time, being the time in Perth, Western Australia.

Schedule 2 Independent Expert Report

Please refer to next page.

Independent Expert's Report

Aurumin Limited

ACN 639 427 099

31 March 2022

Prepared by Pendragon Capital Limited
Australian Financial Services Licence 237549



FINANCIAL SERVICES GUIDE

Date Prepared: 31 March 2022

Pendragon Capital Limited (ABN 17 008 963 755) ("Pendragon", "we," "us" or "our") has been engaged by Aurumin Limited ("Aurumin" or "the Company") to provide an Independent Expert's Report on the issue of 9,000,000 shares in Aurumin to Middle Island Resources Limited as partial consideration for the acquisition of the Sandstone Gold Project in Western Australia.

A copy of our report is being provided because you are a shareholder of Aurumin.

Financial Services Guide

This Financial Services Guide has been prepared to assist retail investors:

- to decide whether the general financial product advice in our Report is appropriate to them; and
- to provide important information about us, the financial services we offer, how we are remunerated and our dispute resolution process.

Financial services we offer

Pendragon Capital Limited is the holder of Australian Financial Services Licence ("AFSL") number 237549. The current AFSL conditions authorise Pendragon Capital Limited to, amongst other things, provide general financial product advice relating to securities to retail and wholesale investors.

General Financial Product Advice

In our Report, we only provide general financial product advice and do not take into account your personal objectives, financial situation or needs.

You should consider the appropriateness of the Report with respect to your own objectives, financial situation and needs before you act on the advice in the Report. Accordingly, it is up to you to determine whether you require any additional financial advice to satisfy your objectives, financial situation or needs.

We are engaged to provide a report in connection with a financial product of another person. Our report will include who has engaged us and a description of the nature of our engagement. Although you have not engaged us, you will be provided with a copy of our report as a retail investor because of your connection to the matters on which we have been engaged to report.

Remuneration and other benefits for our services

You have the right to be told of any remuneration, benefits or other interests Pendragon Capital Limited and your Adviser will receive which may influence the financial services provided.

We charge fees for providing reports. These fees have been agreed with, and will be paid by, the person who engages us to provide the report. Our fees are agreed and charged on an hourly basis or fixed fee basis depending on the engagement. Our fee has been fixed at a maximum of \$20,000 (exclusive of GST) for this Report. This fee is not related in any way to the opinion we express in our Report.

Except for the fee disclosed above, Pendragon, including any of its directors, employees or associated entities will not receive any other fees or benefits, directly or indirectly, for or in connection with the provision of this Report.

Complaints process

As the holder of an AFSL, we are required to have a system for handling complaints from persons to whom we provide financial services.

If you have any complaints about the service provided to you, you should take the following steps:

- a. Contact your Adviser to discuss your complaint.
- b. If your complaint is not satisfactorily resolved within 3 days, please contact the Compliance Manager of Pendragon Capital Limited, on (08) 9426 0666 or put your complaint in writing and send it to PO Box 1288, Subiaco, WA 6904. The Compliance Manager will try to resolve your complaint quickly and fairly.
- c. If, within 28 days of notifying the Compliance Manager, you are not satisfied with the outcome, then you have the right to refer the matter to:

Australian Financial Complaints Authority Limited
GPO Box 3
MELBOURNE VIC 3001

Telephone: 1800 931 678
Fax: (03) 9613 6399
Email: info@afca.org.au

TABLE OF CONTENTS

1.	Introduction	6
1.1	Introductory Statement	6
2.	Summary and Opinion	7
2.1	Scope	7
2.2	Fairness	7
2.3	Reasonableness	8
3.	Scope of the Report	9
3.1	Scope	9
3.2	Purpose of the Report	9
3.3	Regulatory guidance	10
3.4	Fair and Reasonable	10
4.	Proposed Transaction	10
4.1	Share Purchase Agreement	10
4.2	Placement	11
4.3	Convertible Note Agreement	11
4.4	Entitlement Offer, Partial Underwriter and Sub-Underwriter Agreements	12
4.5	Share Purchase Agreement Amendment	12
4.6	Capital Structure	13
5.	Profile - Aurumin	13
5.1	Background	13
5.2	Board of Directors	14
5.3	Mt Dimer Project	14
5.4	Mt Palmer Project	15
5.5	Johnson Range Project	15
5.6	Major Corporate Events	15
5.7	Historical Statement of Financial Position - Aurumin	16
5.8	Historical Statement of Comprehensive Income - Aurumin	17
5.9	Capital Structure	18
5.10	Share Market Performance of Aurumin	19
6.	Profile – Sandstone	20
6.1	Background	20
6.2	Sandstone Gold Project	20
6.3	Historical Statement of Financial Position – Sandstone	20
6.4	Historical Statement of Comprehensive Income - Sandstone	21
7.	Valuation methodology	22
7.1	Consideration of Valuation Methodologies	22
7.2	Discounted Cash Flow Method	22
7.3	Market Based Methods - Capitalisation of Maintainable Earnings	22
7.4	Market Based Methods - Industry Specific	22
7.5	Market Based Methods - Availability of Alternative Offers	22
7.6	Market Based Methods - Quoted Market Price Basis	22
7.7	Asset Based Methods - Liquidation of Assets	22
7.8	Asset Based Methods - Orderly Realisation of Assets Method	23
7.9	Asset Based Methods - Net Tangible Asset Value on a Going Concern Basis	23
7.10	Selection of Valuation Methodologies	23
8.	Valuation of an Aurumin Share prior to the Proposed Transaction	23
8.1	Net asset valuation of Aurumin (primary method)	23
8.2	Net asset valuation of Sandstone	25
8.3	Sum of Parts Valuation – Undiluted	27
8.4	Sum of Parts Valuation – Fully Diluted	27
8.5	Quoted Market Basis (secondary method)	28
8.6	Conclusion as to the value of an Aurumin Share prior to the Proposed Transaction – Undiluted	30
8.7	Conclusion as to the value of an Aurumin Share prior to the Proposed Transaction – Fully diluted	30
9.	Valuation of Company Share after the proposed transaction	31
9.1	Sum of Parts Valuation – Undiluted	31
9.2	Sum of Parts Valuation – Fully Diluted	31

10.	Assessment of Fairness.....	32
10.1	Valuation Price.....	32
11.	Assessment of Reasonableness	32
11.1	Reasonableness in absence of fairness.....	32
11.2	Practical level of control.....	32
11.3	Advantages of approving the Proposed Transaction	33
11.4	Disadvantages of approving the Proposed Transaction.....	33
11.5	Other considerations	33
11.6	Assessment of Reasonableness	34
12.	Conclusion	34
12.1	Assessment of Fairness & Reasonableness.....	34
13.	Sources of information	34
13.1	Source Documents	34
14.	Independence	34
14.1	Independence Statement	34
15.	Indemnity	35
15.1	Indemnity Statement.....	35
16.	Qualifications	35
16.1	Australian Financial Services Licence.....	35
17.	Disclaimers and consents.....	35
17.1	Disclaimer Statement	35
APPENDIX 1 – GLOSSARY OF TERMS		
APPENDIX 2 – AURUMIN VALUATION		
APPENDIX 3 – SANDSTONE PLANT VALUATION		
APPENDIX 4 – SANDSTONE VALUATION		

31 March 2022



Australian Financial Services
Licence 237 549

The Directors
Aurumin Limited
Unit 1, 295 Rokeby Road
SUBIACO WA 6008

Dear Directors

INDEPENDENT EXPERT'S REPORT TO SHAREHOLDERS OF AURUMIN LIMITED

1. INTRODUCTION

1.1 Introductory Statement

- 1.1.1 You have requested Pendragon Capital Limited ("Pendragon", "we", "us" or "our") to prepare an Independent Expert's Report ("Report") to advise the Non-associated Shareholders of Aurumin Limited ("Aurumin", or "the Company") whether, for the purposes of Section 611 (item 7) of the Corporations Act, the issue of 9,000,000 shares in Aurumin ("Proposed Transaction") to Middle Island Resources Limited ("Middle Island") as part of the remaining consideration for the acquisition of the Sandstone Gold Project in Western Australia ("Sandstone Acquisition") is fair and reasonable to Shareholders who are not associated ("Non-associated Shareholders") with Middle Island.
- 1.1.2 Aurumin is a public company listed on the Australian Securities Exchange ('ASX').
- 1.1.3 On 7 December 2021, the Company executed a binding Share Purchase Agreement ("SPA") with Middle Island, to acquire from Middle Island 100% of the issued capital of its wholly owned subsidiary, Sandstone Operations Pty Ltd ("Sandstone"). The total consideration was \$12 million to be satisfied as follows:
- Cash payment of \$6,000,000 ("Consideration Cash"); and
 - Issue of 30,000,000 Shares in Aurumin at \$0.20 per share for a total value of \$6,000,000.
- 1.1.4 The Company agreed to and entered into an amended Share Purchase Agreement ("SPA Amendment") on 11 March 2022 to the effect that:
- the number of Shares as consideration to be amended to approximately 21,000,000 Shares ("Consideration Shares") (being the maximum number of Shares that may be issued to Middle Island, such that the Middle Island's shareholding in the Company is not greater than 20% at the time of issue); and

- the remaining 9,000,000 Shares (“Remaining Consideration Shares”) be issued to Middle Island subject to the approval of the Non-associated Shareholders under section 611, item 7 of the Corporations Act at an agreed deemed value of \$0.20 per share; and
 - Middle Island to partially sub-underwrite the entitlement offer in the amount of 5,000,000 Shares (being in the amount of \$1,000,000) (see section 4.5).
- 1.1.5 In the event shareholder approval is not satisfied by 30 April 2022 or such a date as otherwise agreed between the Parties, the Company must pay Middle Island in cash the value of the Remaining Consideration Shares at an agreed deemed value of \$0.20 per Remaining Consideration Share.
- 1.1.6 The result of the Proposed Transaction will be to increase Middle Island’s shareholding as at the date of this Report from 19.96% to 25.14% on an undiluted basis and from 17.22% to 21.68% on a fully diluted basis.
- 1.1.7 The issue of the Remaining Consideration Shares pursuant to the Proposed Transaction is subject to Shareholder approval. Shareholder approval is to be sought as required under Section 611 (item 7) of the Corporations Act. Pursuant to this, the Company has requested an Independent Expert’s Report to inform Non-associated Shareholders of Aurumin whether, in the Expert’s opinion, the Proposed Transaction is fair and reasonable for Non-associated Shareholders in accordance with ASIC Regulatory Guide 74 (“RG 74”) and ASIC Regulatory Guide 111 (“RG 111”).
- 1.1.8 Terms used in this Report that are not defined in this Report have the same meaning as corresponding terms in the Notice of Meeting.

2. SUMMARY AND OPINION

2.1 Scope

- 2.1.1 Based on our analysis, as outlined further in this Report, we have concluded that the Proposed Transaction is **not fair, but is reasonable** to Non-associated Shareholders of Aurumin.
- 2.1.2 This section is a summary of our opinion and does not substitute for a complete reading of this Report.
- 2.1.3 We recommend that Shareholders carefully read all relevant documentation including any explanatory notes, contact their own professional advisors and consider their own specific circumstances before voting for or against the Proposed Transaction.
- 2.1.4 There are benefits and risks associated with implementing or not implementing the Proposed Transaction, the outcomes of which may not suit all Shareholders.

2.2 Fairness

- 2.2.1 In Section 11 of this Report, we determined the value of an Aurumin Share prior to the Proposed Transaction on a control basis and a minority basis compared to the value of an Aurumin Share following the Proposed Transaction, as detailed below:

Undiluted Basis	Ref	Low Value \$	Preferred Value \$	High Value \$
Value per Share prior to the Proposed Transaction (control basis)	8.3.1	0.1376	0.1837	0.2912
Value per Share after the Proposed Transaction (minority basis)	9.1.1	0.1069	0.1449	0.2329
Decrease in value per Share after the Proposed Transaction (undiluted)		0.0307	0.0388	0.0583

Fully Diluted Basis	Ref	Low Value \$	Preferred Value \$	High Value \$
Value per Share prior to the Proposed Transaction (control basis)	8.4.1	0.1133	0.1512	0.2397
Value per Share after the Proposed Transaction (minority basis)	9.2.1	0.0890	0.1206	0.1939
Decrease in value per Share after the Proposed Transaction (fully diluted)		0.0243	0.0306	0.0458

2.2.2 In the absence of any other relevant information, we have assessed the terms of the Proposed Transaction in accordance with RG 111 and have determined that it is **not fair** to the Non-associated Shareholders.

2.3 Reasonableness

2.3.1 A transaction that is not considered fair may still be considered reasonable if there are sufficient reasons for security holders to approve the Proposed Transaction.

2.3.2 In our analysis outlined in Section 11 of this Report, we detail the advantages and disadvantages of the Proposed Transaction and other considerations relevant to the Proposed Transaction.

2.3.3 In our opinion, the position of Shareholders if the Proposed Transaction is approved is more advantageous than the position if the Proposed Transaction is not approved. Accordingly, we believe that the Proposed Transaction is **reasonable** to the Non-associated Shareholders.

2.3.4 A summary of our advantages and disadvantages considered are as follows:

Advantages	Disadvantages
<ul style="list-style-type: none"> Aurumin will not be required to pay the cash equivalent of the Remaining Consideration Shares to Middle Island resulting in \$1,800,000 to continue funding the direct activities of Aurumin The Proposed Transaction does not result in a change of control If the Proposed Transaction is not approved, the Company may require additional capital to fund the exploration activities. If the Company chooses to raise additional capital, this would be at a discounted VWAP to the current share price of \$0.18 per Share as at 29 March 2022 resulting in further dilution to Shareholders. 	<ul style="list-style-type: none"> The transaction is not fair to existing Shareholders as concluded in Section 2.2.2 above Dilution of existing Shareholders interests While Middle Island does not have effective control, its increased shareholding may increase its ability to exercise considerable influence over the activities of Aurumin.

3. SCOPE OF THE REPORT

3.1 Scope

- 3.1.1 An independent expert must, in certain circumstances, be appointed to meet the requirements of the Corporations Act 2001 ("the Act"), the ASX Listing Rules and the regulatory guides published by the Australian Securities and Investments Commission ("ASIC").
- 3.1.2 The matters to be considered at the annual general meeting and additional information regarding those matters are set out in details in the Notice of Meeting. These documents are important and should be read in conjunction with this Report and any other information provided to the Shareholders by Aurumin regarding the Proposed Transaction.
- 3.1.3 This Report contains general financial product advice only and has been prepared without taking into account the objectives, risk profile, financial situation or needs of each individual Shareholder. Before acting in relation to their investment, Shareholders should consider the appropriateness of the advice having regard to their own objectives, financial situation or needs.
- 3.1.4 Approval or rejection of the Proposed Transaction is a matter for individual Shareholders. Shareholders who are in doubt as to the action they should take in relation to the Proposed Transaction should consult their own professional advisor.

3.2 Purpose of the Report

- 3.2.1 The sole purpose of this Report is to express Pendragon's opinion as to whether, for the purpose of Section 611 (item 7) of the Corporations Act, the Proposed Transaction is fair and reasonable to the Non-associated Shareholders of Aurumin. This Report cannot be used by any other person for any other reason or for any other purpose. A copy of this Report will accompany the Notice of Meeting to be sent to Shareholders.
- 3.2.2 The Directors of the Company have engaged Pendragon to prepare an Independent Expert's Report to assess whether the Proposed Transaction is fair and reasonable to Non-associated Shareholders of the Company.

Increase in ownership interest

- 3.2.3 Under section 606(1) of the Act, a person must not acquire a relevant interest in issued voting shares in a listed company if as a result of the transaction, that person's or someone else's voting power in the company increases:
- from below 20% to more than 20%
 - from a starting point that is above 20% and below 90%
- 3.2.4 However, the relevant interest can be acquired under the exceptions set out in Section 611 of the Act.
- 3.2.5 An exception set out in Section 611 (Item 7) of the Act permits an allotment or purchase of shares approved by a resolution of shareholders. It recognises that the shareholders of a company may choose to give up one of their basic rights, namely an equal opportunity to participate in any benefits accruing to other shareholders, where the acquisition or allotment may change the control of the company.

3.2.6 Under ASIC RG 74, a company is required to commission an expert report (or a directors' report to the same standard) to discharge the requirement to disclose all material information on how to vote on the resolution.

3.2.7 Accordingly, the Directors of Aurumin believe it is appropriate to provide an Independent Expert's Report to shareholders and to seek shareholder approval for the Proposed Transaction.

3.3 Regulatory guidance

3.3.1 In determining whether the transaction is "fair and reasonable", we have considered ASIC RG 111 – Content of Expert Reports, which sets out how experts should analyse a proposed transaction, the different valuation methodologies used by experts and the treatment of assumptions.

3.4 Fair and Reasonable

3.4.1 The term fair and reasonable does not have a legal definition. However, ASIC RG 111 establishes certain guidelines in respect of the preparation of experts' reports.

3.4.2 What is fair and reasonable for Non-associated Shareholders should be judged in all circumstances of the proposal. The report must compare the likely advantages and disadvantages for Non-associated Shareholders if the Proposed Transaction is agreed to and if it is not.

3.4.3 An offer is fair if the post-transaction value of a share on a minority basis is equal to or greater than the value of a share prior to the transaction on a control basis.

3.4.4 By definition, an offer is reasonable if it is fair. However, where an offer is not fair, it can be reasonable if, after considering other significant factors, the interests of the Shareholders are reasonably balanced.

4. PROPOSED TRANSACTION

4.1 Share Purchase Agreement

4.1.1 On 7 December 2021, the Company executed a binding Share Purchase Agreement ("SPA") with Middle Island, to acquire from Middle Island 100% of the issued capital in its wholly owned subsidiary, Sandstone Operations Pty Ltd ("Sandstone"). The total consideration was \$12 million to be satisfied as follows:

- Cash payment of \$6,000,000; and
- Issue of 30,000,000 Shares in Aurumin at a deemed issue price of \$0.20 per share for a total value of \$6,000,000.

4.1.2 The completion of the Sandstone Acquisition was subject to and conditional upon the satisfaction or waiver of the following conditions ("Conditions Precedent"):

- the Company announcing via the ASX market announcements platform that it has raised \$8 million or more of which:
 - at least \$4 million must be committed via a placement; and
 - No more than \$5 million may be raised via convertible note (of which the essential commercial terms are presented to Middle Island by Aurumin);

- The Company having obtained all approvals required from its Shareholders by ASX Listing Rules;
- Middle Island having obtained all approvals required by the ASX Listing Rules;
- The Company having obtained all necessary regulatory approvals or consents to give effect to the matters set out in the SPA to lawfully complete the Sandstone Acquisition;
- Middle Island having obtained all necessary regulatory approvals or consents to give effect to the matters set out in the SPA to lawfully complete the Sandstone Acquisition;
- Middle Island having obtained all necessary third-party consents required pursuant to the Permitted Encumbrances and any other consent from third parties;
- Middle Island and Polymetals Mining Limited ("PMM") entering into a legally binding option agreement in a form satisfactory to Aurumin pursuant to which:
 - Middle Island is granted the option to terminate the Deferred Payment Agreement and PMM security Rights;
 - PMM is required to delivery to the party exercising the PMM Option the PPM Release Documents and register financing change statements discharging all registrations made on the PPSR by PMM in respect of the Deferred Payment Rights and the PMM Security Rights, with effect on and from \$200,000 being paid to PMM by Aurumin as the party exercising the PMM Option; and
- the Company providing evidence it has lodged the 2021 income tax return with the Tax Authority.

4.1.3 The Company announced on 2 March 2022 that all conditions precedent has been satisfied or waived.

4.2 Placement

4.2.1 On 23 December 2021, the Company announced it had received binding applications for 12,500,000 Shares to raise A\$2.5 million before costs at a price of \$0.20 per share ("Placement").

4.2.2 The leader manager PG Capital Partners is entitled to receive:

- a capital raising fee of 6% of the proceeds of the Placement of which one third may be satisfied in Shares at a determined price of \$0.20 per Share.
- 2,000,000 options to acquire Shares at an exercise price of \$0.30 per option exercisable within 36 months of the date of issue.

4.3 Convertible Note Agreement

4.3.1 The Company entered into a binding agreement with Collins St Asset Management Pty Ltd ("Noteholder") who will pay the Company \$5,000,000 before costs for convertible notes with the following terms:

- a conversion price of \$0.30 per Share representing a premium of 50% to the Placement;
- maturity date of 30 months after the date of issue;
- accrued interest rate of 15% per annum in the event of default of payment of any amounts owing.

4.3.2 The total face value of the Convertible Notes is \$6,413,479.

4.3.3 The Noteholder will also receive 10,000,000 options at an exercise price of \$0.30 per option with an expiry date of 3 years from the date of issue.

4.4 Entitlement Offer, Partial Underwriter and Sub-Underwriter Agreements

4.4.1 The Company announced an Entitlement Offer on 14 January 2022 to subscribe for 1 new Share for every 4 Shares held. Any amounts not subscribed for, will be offered to other eligible Shareholders.

4.4.2 Lazarus Corporate Finance Pty Ltd ("Lazarus") entered into an agreement with the Company to partially underwrite 10,000,000 Shares (\$2,000,000) of the Entitlement Offer.

4.4.3 On 9 February 2022, Middle Island entered into a sub-underwriting agreement with Lazarus to confirm a commitment of \$1,000,000 being 5,000,000 Shares in Aurumin at a price per share of \$0.20. All shares pursuant to the Sub-Underwriter Agreement were issued to Middle Island on 20 March 2022.

4.5 Share Purchase Agreement Amendment

4.5.1 The Company agreed to and entered into an amended Share Purchase Agreement ("SPA Amendment") on 11 March 2022 to the effect that:

- the number of Shares issued as consideration to be amended to approximately 21,000,000 Shares ("Issued Consideration Shares") (being the maximum number of Shares that may be issued to Middle Island, such that the Middle Island's shareholding in the Company is not greater than 20% at the time of issue); and
- the remaining 9,000,000 Shares ("Remaining Consideration Shares") be issued to Middle Island subject to the approval of the Non-associated Shareholders under section 611, item 7 of the Corporations Act at an agreed deemed value of \$0.20 per share; and
- Middle Island to partially sub-underwrite 5,000,000 Shares of the Entitlement Offer (being \$1,000,000) (see section 4.4.3).

4.5.2 In the event Shareholder approval is not satisfied by 30 April 2022 or such a date as otherwise agreed between the Parties, the Company must pay Middle Island in cash the value of the Remaining Consideration Shares at an agreed deemed value of \$0.20 per Remaining Consideration Share.

4.6 Capital Structure

4.6.1 Following the Proposed Transaction, the potential changes in shareholding on an undiluted basis are summarised in the table below.

	Non-associated Shareholders	Middle Island	Total
Current shareholding			
Shares on issue as at 31 December 2021	99,240,423	-	99,240,423
Entitlement Offer Shares issued	5,000,000	5,000,000	10,000,000
Issued Consideration Shares	-	21,000,000	21,000,000
Shares on issue pre-Proposed Transaction (undiluted)	104,240,423	26,000,000	130,240,423
% Shareholding (undiluted)	80.04%	19.96%	100.00%
Remaining Consideration Shares	-	9,000,000	9,000,000
Shares on issue after Proposed Transaction	104,240,423	35,000,000	139,240,423
% Shareholding (undiluted)	74.86%	25.14%	100.00%
Options on issue as at 31 December 2021 ¹	13,485,210	-	13,485,210
Placement Options ²	2,000,000	-	2,000,000
Convertible Note Options ³	10,000,000	-	10,000,000
Entitlement Offer Options ⁴	1,250,000	1,250,000	2,500,000
Shares on issue pre-Proposed Transaction (fully diluted)	130,975,633	27,250,000	158,225,633
% Shareholding held (diluted)	82.78%	17.22%	100.00%
Remaining Consideration Shares	-	9,000,000	9,000,000
Shares on issue after the Proposed Transaction (fully diluted)	130,975,633	36,250,000	167,225,633
% Shareholding held (diluted)	78.32%	21.68%	100.00%

¹ Options on issue as at 31 December 2021 comprising of:

- 5,300,000 Options exercisable at \$0.30 each on or before 31 July 2024;
- 2,000,000 Options with an issue price of \$0.001, exercisable at \$0.30 and expiring 1 December 2023;
- 3,500,000 Options exercisable at \$0.30 each on or before 31 July 2024;
- 2,298,611 Options exercisable at \$0.40 each on or before 31 July 2025; and
- 386,599 Options exercisable at \$0.40 each on or before 31 July 2024.

² Issue of 2,000,000 Placement Options exercisable at \$0.30 on or before the date that is 3 years from the date of issue pursuant to the Placement.

³ Issue of 10,000,000 Options per Convertible Note Agreement exercisable at \$0.30 on or before the date that is 3 years from the date of issue.

⁴ Issue of 2,500,000 Options to the Underwriter and Sub-Underwriter exercisable at \$0.30 on or before the date that is 3 years from the date of issue.

5. PROFILE - AURUMIN

5.1 Background

5.1.1 Aurumin was incorporated on 28 February 2020 and listed on the ASX on 7 December 2020.

5.1.2 Aurumin is an Australian-based advanced gold exploration company with three projects in the Southern Cross and Marda-Greenstone belts and one in the Kalgoorlie Terrain. The Company holds 100% interests in its gold projects including its flagship high grade Mt Dimer and Mt Palmer projects.

5.2 Board of Directors

Bradley Valiukas – Managing Director (appointed 28 February 2020)

- 5.2.1 Mr Valiukas is a mining professional with over 20 years of operational, management and executive experience in underground and open pit operations across multiple commodities around Australia. He has extensive experience in the rectification and expansion of existing operations and the direct responsibility for multiple new mines. Mr Valiukas holds a Bachelor of Engineering (Mining) from the University of NSW and a Graduate Certificate in Economics from Murdoch University and is a member of the Australasian Institute of Mining and Metallurgy (“AusIMM”).

Piers Lewis – Non-Executive Chairman (appointed 19 May 2020)

- 5.2.2 Mr Lewis is a Chartered Accountant and Chartered Company Secretary with over 20 years’ global corporate experience. Mr Lewis currently sits on the Board of Directors of Noronex Limited and serves as company secretary on several ASX listed companies, including Grange Resources Limited and Ultima United Ltd. Mr Lewis holds a Bachelor of Commerce (Accounting and Finance) and is a member of the Governance Institute of Australia.

Darren Holden – Non-Executive Director (appointed 19 May 2020)

- 5.2.3 Dr Holden is a geologist and experience ASX company director with over 25 years of industry experience in Australia and internationally including projects in Canada, USA and Mexico. He is a graduate of the University of Otago (NZ) and the University of Western Australia, and is a member of AusIMM. Dr Holden was previously the Managing Director at ABM Resources Limited, and held the title of Executive VP – Exploration at Geo Informatics Exploration Inc. Dr Holden current operates the exploration advisory business GeoSpy Pty Ltd and Marlee Minerals Pty Ltd, and holds positions with Silver Mines (NSW) and Lion One Ltd (Fiji).

Shaun Day – Non-Executive Director (appointed 19 May 2020)

- 5.2.4 Mr Day is a Chartered Accountant and experience CFO with over 20 years of experience in executive and financial positions across mining and infrastructure, investment banking and international accounting firms. Mr Day was previously the CFO of Northern Star Resources, SGX50 Sakari Resources, ASX 200 Straits Resources, and ASX-listed Salt Lake Potash Ltd.

5.3 Mt Dimer Project

- 5.3.1 The Mt Dimer Gold Project was acquired by Aurumin during the 2020 financial year. It is located approximately 120 km northeast of the Southern Cross townsite in the Shire of Yilgarn, Western Australia. It is accessible via the Great Eastern Highway and Mt Walton Road, or by air.
- 5.3.2 Prior to Aurumin’s acquisition, the Mt Dimer project was last mined commercially in 1997 and has historically produced over 125koz of gold. Aurumin completed a ground-based sub-audio magnetic survey over various areas in the Mt Dimer Project in September 2020, and various reverse circulation drilling programs at the project have since been completed.
- 5.3.3 On 11 February 2022, Aurumin announced that exploration targeting iron ore will be included as part of 2022 regional exploration activity at the Mt Dimer project.

5.4 Mt Palmer Project

- 5.4.1 The Mt Palmer Project was acquired by Aurumin during the 2020 financial year. It is located 39km east-south-east of Southern Cross and can be accessed via the Great Eastern Highway.
- 5.4.2 The major historical workings at Mt Palmer were mined from 1934 to 1944. In that time, the project produced approximately 158koz of gold. 32 holes were drilled via reverse circulation drilling during the 2021 financial year targeting the high-grade lodes previously mined. Aurumin has also completed a structural geology review at Mt Palmer, and expects to have a revised targeting model for Mt Palmer in the future.

5.5 Johnson Range Project

- 5.5.1 The Johnson Range Project is located approximately 170km north of Southern Cross, and is accessible from the Great Eastern Highway, between Merredin and Southern Cross via Bullfinch and then the Bullfinch – Evanston Road. It consists of 6 tenements spanning 6km².
- 5.5.2 The area was explored by Goldfields Exploration Pty Ltd, St Joe Australia Pty Ltd, Bornite Pty Ltd and Resolute Resources Ltd in the 1980's and 1990's, leading to shallow open pit mining in the early 1990's. The project was then acquired by Vector Resources Limited in 2009 who completed further exploration activity, and trial mining occurred in 2014 as the Gwendolyn Project.
- 5.5.3 Aurumin intends to continue investigating options for extracting value from the Johnson Range Project during the FY2022 reporting period.

5.6 Major Corporate Events

- 5.6.1 On 16 December 2021, the Company announced it had executed a binding Share Purchase Agreement with Middle Island Resources Limited to acquire wholly-owned subsidiary Sandstone Operations Pty Ltd for a total consideration of \$12,000,000.
- 5.6.2 On 14 January 2022, the Company announced a non-renounceable pro-rata entitlement offer at an issue price of \$0.20 each to raise approximately \$4,962,022 (before costs). Eligible shareholders were entitled to subscribe for 1 new share every 4 shares held. The Prospectus also incorporated an offer to eligible shareholders to subscribe for Shares (in excess of their entitlements) not subscribed for under the entitlement offer. The offer was partially underwritten by Lazarus Corporate Finance Pty Ltd for 10,000,000 Shares (being to the value of \$2,000,000).
- 5.6.3 On 8 February 2022 the company announced it had extended the Entitlement Offer to 24 February 2022.
- 5.6.4 On 2 March 2022 the company announced the results of the Entitlement Offer which raised a total of \$428,169 with applications for 2,140,694 shares being received from leaving a shortfall of 22,669,412 shares. Of these shares, 7,859,306 were to be allocated to the Underwriter.
- 5.6.5 On 2 March 2022, the Company announced that all conditions precedent under the Share Purchase Agreement had been satisfied or waived.
- 5.6.6 On 21 March 2022, the Company announced the completion of the acquisition of Sandstone Operations Pty Ltd.

5.7 Historical Statement of Financial Position - Aurumin

Statement of Financial Position	Reviewed 31/12/2021 Financial Report \$	Audited 30/06/2021 Financial Report \$
Current Assets		
Cash and cash equivalents	3,966,574	3,761,737
Trade and other receivables	171,563	288,662
Total Current Assets	4,138,137	4,050,399
Non-Current Assets		
Property, plant and equipment	54,340	63,720
Right-of-use assets	52,665	81,589
Capitalised exploration expenditure	1,497,130	1,492,933
Other assets	208,863	187,543
Total Non-Current Assets	1,812,998	1,825,785
Total Assets	5,951,135	5,876,184
Current Liabilities		
Trade and other payables	644,408	315,818
Lease liability	59,260	55,074
Provisions	98,711	59,081
Total Current Liabilities	802,379	429,973
Non-Current Liabilities		
Lease liability – non-current	-	30,088
Total Non-Current Liabilities	-	30,088
Total Liabilities	802,379	460,061
Net Assets	5,148,756	5,416,123
Equity		
Share capital	17,000,009	14,650,009
Reserves	1,542,784	1,308,199
Accumulated losses	(13,394,037)	(10,542,085)
Total Equity	5,148,756	5,416,123

Source: Aurumin reviewed financial report for the half-year ended 31 December 2021

5.8 Historical Statement of Comprehensive Income - Aurumin

Statement of Comprehensive Income	Reviewed 31/12/2021 Half-Year Financial Report \$	Reviewed 31/12/2020 Half-Year Financial Report \$
Other income	12,146	73
Total income	12,146	73
Administration expenses	432,836	200,844
Director fees	94,574	35,848
Depreciation expense	39,579	1,016
Exploration and evaluation expenditure	1,820,964	847,682
Interest expense	2,633	118
Legal and compliance expenses	233,955	83,585
Travel expenses	4,973	-
IPO expenses	-	253,350
Share based payments	262,951	1,038,400
Total expenses	2,892,465	2,460,843
Loss before income tax expense	(2,880,319)	(2,460,770)
Income tax expense	-	-
Net loss for the year	(2,880,319)	(2,460,770)
Other comprehensive income	-	-
Total comprehensive loss for the year	(2,880,319)	(2,460,770)
Loss per share attributable to the ordinary equity holders of the Company		
Basic and diluted loss per share from continuing operations	(0.033)	(0.046)

Source: Aurumin reviewed financial report for the half-year ended 31 December 2021

5.9 Capital Structure

5.9.1 The Ordinary Shares held by the top 20 shareholders of Aurumin as at 23 March 2022 are detailed below:

Rank	Name	Ordinary Shares	Percentage of shares held
1	MIDDLE ISLAND RESOURCES LIMITED	21,000,000	16.12%
2	HEELMO HOLDINGS PTY LTD <DEEP BLUE A/C>	9,544,158	7.33%
3	CITICORP NOMINEES PTY LIMITED	6,641,883	5.10%
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6,005,531	4.61%
5	MIDDLE ISLAND RESOURCES LIMITED	5,000,000	3.84%
6	HEELMO HOLDINGS PTY LTD <ROWBOTTAM SUPER A/C>	4,983,812	3.83%
7	MR GRANT WILLIAM EVANS + MS MARY-LOUISE DAVIDSON	4,912,399	3.77%
8	MR BRADLEY TRISTAN JURGANAS VALIUKAS <B & K VALIUKAS FAMILY A/C>	2,415,000	1.85%
9	BAYVIEW RESOURCES PTY LTD <BVR A/C>	2,245,000	1.72%
10	BV MINING PTY LTD	2,019,643	1.55%
11	MR BRADLEY TRISTAN JURGANAS VALIUKAS <B & K VALIUKAS FAMILY A/C>	1,850,000	1.42%
12	MR STEVEN EDWARD CONWAY <STEVECON FAMILY A/C>	1,625,000	1.25%
13	MR BRADLEY TRISTAN JURGANAS VALIUKAS <B & K VALIUKAS FAMILY A/C>	1,000,000	0.77%
14	KHE SANH PTY LTD <TRADING NO 1 A/C>	1,000,000	0.77%
15	MR ATTHEW ARTHUR HOLMES	939,566	0.72%
16	GW & EA THOMAS SUPER PTY LTD <GW & EA THOMAS A/C>	929,760	0.71%
17	SUNSET SHIRAZ CORPORATEION PTY LTD < THE TWENTY FIFTEEN SUPER A/C>	925,000	0.71%
18	JP MORGAN NOMINEES AUSTRALIA PTY LTD	900,000	0.69%
19	CS FOURTH NOMINEES PTY LTD <HSBC CUST NOM AU LTD 11 A/C>	820,040	0.63%
20	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	793,480	0.61%
Total ordinary shares held by top 20 shareholders		75,550,272	58.01%

Source: Share registry information

5.10 Share Market Performance of Aurumin

5.10.1 Aurumin Shares are listed on the ASX. The charts below show share price movements and share trading volumes for Aurumin for the past 12 months.



Table 5.10.1 Aurumin Share Price Movement

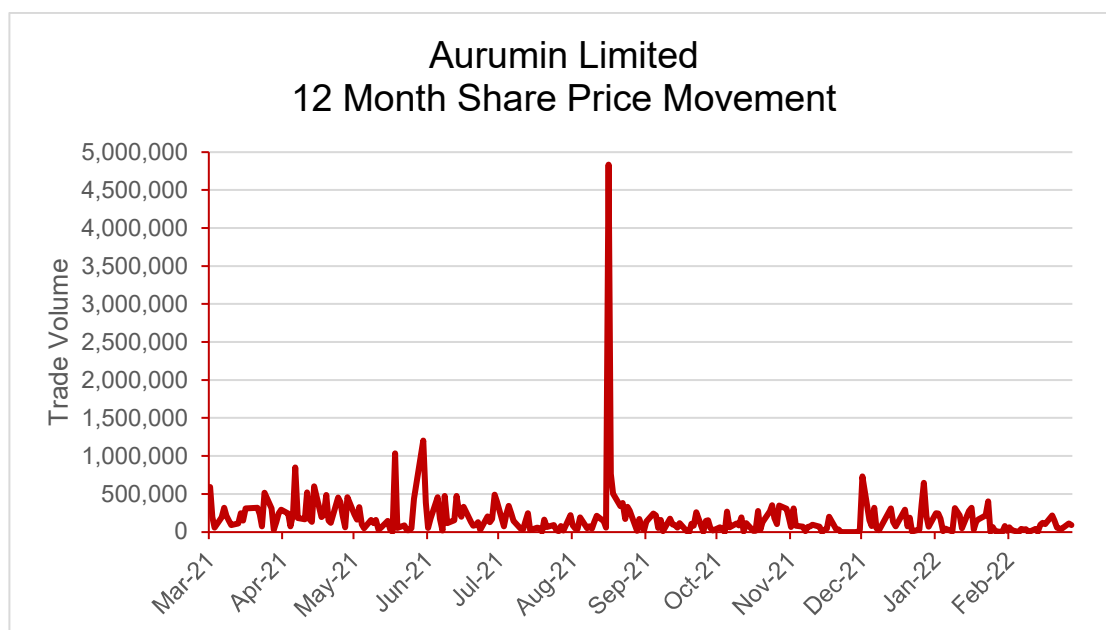


Table 5.10.2 Aurumin Trade Volume

6. PROFILE – SANDSTONE

6.1 Background

- 6.1.1 Sandstone is a private company registered at Suite 1, 2 Richardson Street, West Perth WA 6005. Sandstone was incorporated on 12 April 2016 and was acquired by Middle Island on 12 July 2016.

6.2 Sandstone Gold Project

- 6.2.1 Sandstone holds the 784koz Sandstone Gold Project, including mining leases M57/128 and M57/129, exploration licence 57/1102, prospecting licences P57/1384, P57/1395 and P57/1442 (and related mining information), processing infrastructure and freehold tenure in the town of Sandstone, WA.

6.3 Historical Statement of Financial Position – Sandstone

Statement of Financial Position	Unaudited 31/12/2021 \$	Unaudited 30/06/2021 \$
Current Assets		
Operating account	8,782	17,548
Accounts receivable	2,096	12,337
Total Current Assets	10,878	29,885
Non-Current Assets		
Computer equipment	1,298	1,298
Less accumulated depreciation	(737)	(475)
Land and buildings	126,929	126,929
Motor vehicle	-	22,672
Less accumulated depreciation	-	(9,156)
Property, plant and equipment ¹	1,912,170	1,912,170
Tenement acquisition costs ²	1,659,237	1,659,237
Total Non-Current Assets	3,698,897	3,712,675
Total Assets	3,709,775	3,742,560
Current Liabilities		
Accounts payable	10,053	21,155
Accrued expenses	12,097	116,483
GST payable	-	25
Superannuation payable	347	994
Wages payable	1,466	1,571
Total Current Liabilities	23,963	140,228
Non-Current Liabilities		
Rehabilitation obligations	1,384,900	1,384,900
Loan – MDI	14,435,870	13,869,085
Total Non-Current Liabilities	15,820,770	15,253,985
Total Liabilities	15,844,733	15,394,213
Net Assets/(Liabilities)	(12,134,958)	(11,651,653)
Equity		
Current year earnings	(483,305)	(4,987,809)
Issued share capital	1,000	1,000
Retained earnings	(11,652,653)	(6,664,844)
Total Equity	(12,134,958)	(11,651,653)

Source: Sandstone unaudited management accounts as at 31 December 2021 and 30 June 2021.

6.4 Historical Statement of Comprehensive Income - Sandstone

Statement of Comprehensive Income*	Unaudited 31/12/2021 Management Report \$	Unaudited 30/06/2021 Management Report \$
Income		
Government grants	-	47,915
Other income	2,564	-
Total income	2,564	47,915
Expenses		
Accounting fees	-	1,000
Bank charges	60	127
Camp expenses	6,057	109,156
Computer expenses	6,263	46,201
Consultancy expenses	150,800	505,322
Consumables	200	43,491
Contractors	-	8,600
Depreciation	262	475
Drilling costs	21,095	2,751,408
Equipment hire	-	3,018
Filing fees	-	273
Freight/courier	3,542	36,774
Insurance	(100,000)	70,643
Interest expense	-	36
Legal fees	-	12,049
Memberships & subscriptions	355	56
Minor equipment	441	2,280
Motor vehicle expenses	8,657	56,549
PFS	3,340	938,055
Rehabilitation	11,099	720
Repairs & maintenance	200	5,461
Salaries & wages	17,827	224,675
Security	749	1,157
Stamp duty	-	4,173
Storage & warehousing	877	1,456
Superannuation	1,723	21,197
Surveying & gridding	-	9,434
Taxis	86	126
Tenement acquisition costs	250,000	-
Tenement administration	528	873
Tenement management	838	1,081
Tenement rates	78,991	76,658
Tenement rents	21,450	44,255
Travel & accommodation	429	5,678
Upgrade studies	-	53,267
	485,869	5,035,724
Net loss	(483,305)	(4,987,809)

Source: Sandstone unaudited management accounts as at 31 December 2021 and 30 June 2021

7. VALUATION METHODOLOGY

7.1 Consideration of Valuation Methodologies

- 7.1.1 To estimate the fair market value of Aurumin before the Proposed Transaction we have considered common market practice and the valuation methodologies recommended in RG 111. There is a number of methods that can be used to value an entity including those described below.

7.2 Discounted Cash Flow Method

- 7.2.1 The discounted cash flow method values an entity by discounting the future net cash flows to their present-day value using an appropriate discount rate. The discount rate is representative of the opportunity cost of capital being the expected rate of return that could be obtained by investing in equivalent risk investments. This method is generally appropriate where future cash flows can be projected with a reasonable degree of confidence.

7.3 Market Based Methods - Capitalisation of Maintainable Earnings

- 7.3.1 This method places a value on the entity by estimating the likely future maintainable earnings capitalised at a rate which reflects business outlook, business risk, investor expectations, future growth prospects and other factors specific to the entity. Use of this method relies on the availability and analysis of comparable market data and the ability to reasonably estimate future earnings and expenses.

7.4 Market Based Methods - Industry Specific

- 7.4.1 Entities operating in certain industries can apply industry specific assumptions and comparisons to form a valuation.

7.5 Market Based Methods - Availability of Alternative Offers

- 7.5.1 Where there are other similar offers, a comparison between offers can be used to determine the market value of the entity.

7.6 Market Based Methods - Quoted Market Price Basis

- 7.6.1 Where there is a ready market for securities such as the ASX through which shares are traded, recent prices at which shares are bought and sold may be taken as the market value of a security. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a share displays regular trading in a liquid market.
- 7.6.2 This method relies on the efficient market hypothesis which states in general terms that the market price at any point in time should fully reflect available information given willing buyers and willing sellers.

7.7 Asset Based Methods - Liquidation of Assets

- 7.7.1 This method values a company based on the net value of its assets should they be sold in a distressed scenario.

7.8 Asset Based Methods - Orderly Realisation of Assets Method

- 7.8.1 This method values an entity based on the net value of its assets should the assets be put to market and held out for a fair value sale price given the market and condition of the assets.

7.9 Asset Based Methods - Net Tangible Asset Value on a Going Concern Basis

- 7.9.1 Net tangible asset value is appropriate where the majority of assets consist of cash or passive investments. The combined market value of the entity's assets and liabilities is used to value the entity.

7.10 Selection of Valuation Methodologies

- 7.10.1 Each of the methods listed above is appropriate in certain circumstances and often more than one approach is applied. Per RG 111, an expert should, when possible, use more than one valuation methodology.
- 7.10.2 The choice of methods depends on factors such as the nature of the business being valued, the return on the assets employed in the business, the valuation methodologies usually applied to value such businesses and the availability of the required information.
- 7.10.3 In accordance with RG 111, use of the DCF methodology involves the use of forward-looking information for a period greater than two years with full disclosure of information to assess the reasonableness.
- 7.10.4 Given the nature of the Aurumin and Sandstone businesses are exploration activities, we consider the DCF and future maintainable earnings valuations inappropriate methods to value Aurumin shares.
- 7.10.5 As Aurumin and Sandstone are exploration companies investing in mineral assets, the most appropriate method would be an asset-based methodology as the primary method for valuing Aurumin shares.
- 7.10.6 We have also utilised the quoted market price method as the secondary method of valuation, as Aurumin shares have been publicly listed on the ASX since 7 December 2020.

8. VALUATION OF AN AURUMIN SHARE PRIOR TO THE PROPOSED TRANSACTION

8.1 Net asset valuation of Aurumin (primary method)

- 8.1.1 The net asset value ("NAV") methodology estimates the market value of an entity's securities based on the realisable value of its identifiable net assets. There are three net asset value methods:
- Liquidation of assets method;
 - Orderly realisation of assets method; and
 - Net assets on a going concern method.
- 8.1.2 The asset-based method we believe is most appropriate to value the net assets of Aurumin is the net assets on a going concern method. Under this method, assets and liabilities are valued at market value, and the resulting value of the net assets forms the basis for the entity's valuation.

- 8.1.3 The asset-based methods ignore the possibility the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets. Whilst the business is currently operating at a loss, the ability to sell Aurumin on a going concern basis is an indication of the Company's ability to dispose of its assets on a going concern basis.
- 8.1.4 In assessing the value of Aurumin's mineral assets, Burnt Shirt have been engaged as independent valuers to value all existing tenements held by Aurumin (excluding Sandstone). A copy of their report is attached at Appendix 2.
- 8.1.5 The estimated net value of Aurumin's assets (excluding Sandstone) on a going concern basis prior to the Proposed Transaction is between \$3,288,147 and \$13,288,147 with a preferred value of \$8,288,147 determined as follows:

	Reviewed 31/12/2021 Half-Year Financial Report \$	Note Ref	Pro-Forma Prior to Proposed Transaction \$		
			Low	Preferred	High
Current Assets					
Cash and cash equivalents	3,966,574	1	3,816,574	3,816,574	3,816,574
Trade and other receivables	171,563		171,563	171,563	171,563
Total Current Assets	4,138,137		3,988,137	3,988,137	3,988,137
Non-Current Assets					
Property, plant and equipment	54,340		54,340	54,340	54,340
Right-of-use assets	52,665		52,665	52,665	52,665
Mineral assets	1,497,130	2	8,000,000	13,000,000	18,000,000
Other assets	208,863		208,863	208,863	208,863
Total Non-Current Assets	1,812,998		8,315,868	13,315,868	18,315,868
Total Assets	5,951,135		12,304,005	17,304,005	22,304,005
Current Liabilities					
Trade and other payables	644,408	3	2,444,408	2,444,408	2,444,408
Lease liability	59,260		59,260	59,260	59,260
Provisions	98,711		98,711	98,711	98,711
Total Current Liabilities	802,379		2,603,379	2,603,379	2,603,379
Non-Current Liabilities					
Convertible notes	-	4	6,413,479	6,413,479	6,413,479
Total Non-Current Liabilities	-		6,413,479	6,413,479	6,413,479
Total Liabilities	802,379		9,016,858	9,016,858	9,016,858
Net Asset Value prior to the Proposed Transaction (100% control basis)	5,148,756		3,288,147	8,288,147	13,288,147

Note 1 - Adjustment to cash and cash equivalents following the acquisition of Sandstone:

Cash and cash equivalents		\$
Cash raised via Convertible Note		5,000,000
Cash raised via Entitlement Offer		2,000,000
Consideration Cash paid to Middle Island		(6,000,000)
Capital raising and transaction costs		(950,000)
PMM Option Payment		(200,000)
Net adjustment to cash and cash equivalents		(150,000)

Note 2 - Independent valuation of the tenements held by Aurumin (excluding Sandstone) by Burnt Shirt:

Mineral assets	Low \$	Preferred \$	High \$
Market value of Aurumin tenements	8,000,000	13,000,000	18,000,000
Net adjustment to mineral assets	8,000,000	13,000,000	18,000,000

A copy of the full report can be found at Appendix 2.

Note 3 – Recognition of liability on Proposed Transaction

Trade and other payables		\$
Recognition of liability relating to the Proposed Transaction		1,800,000
Net adjustment to trade and other payables		1,800,000

Note 4 - Issue of convertible notes as per Convertible Note Agreement

Convertible notes		\$
Face value of convertible notes		6,413,479
Net adjustment to convertible notes		6,413,479

8.2 Net asset valuation of Sandstone

- 8.2.1 In assessing the value of Sandstone's mineral assets, Burnt Shirt have been engaged as independent valuers to value all tenements held by Sandstone.
- 8.2.2 A copy of their report is attached at Appendix 3.
- 8.2.3 The estimated net value of Sandstone on a going concern basis prior to the Proposed Transaction is between \$14,634,510 and \$24,634,510 with a preferred value of \$15,634,510 determined as follows:

	Unaudited 31/12/2021 Half-Year Management Report \$	Note Ref	Pro-Forma Prior to Proposed Transaction \$		
			Low	Preferred	High
Current Assets					
Operating account	8,782		8,782	8,782	8,782
Accounts receivable	2,096		2,096	2,096	2,096
Total Current Assets	10,878		10,878	10,878	10,878
Non-Current Assets					
Computer equipment	1,298		1,298	1,298	1,298
Less accumulated depreciation	(737)		(737)	(737)	(737)
Land and buildings	126,929		126,929	126,929	126,929
Property, plant and equipment	1,912,170	1	1,905,005	1,905,005	1,905,005
Mineral assets	1,659,237	2	14,000,000	15,000,000	24,000,000
Total Non-Current Assets	3,698,897		16,032,495	17,032,495	26,032,495
Total Assets	3,709,775		16,043,373	17,043,373	26,043,373
Current Liabilities					
Accounts payable	10,053		10,053	10,053	10,053
Accrued expenses	12,097		12,097	12,097	12,097
Superannuation payable	347		347	347	347
Wages payable	1,466		1,466	1,466	1,466
Total Current Liabilities	23,963		23,963	23,963	23,963
Non-Current Liabilities					
Rehabilitation obligations	1,384,900		1,384,900	1,384,900	1,384,900
Loan – Middle Island	14,435,870	3	-	-	-
Total Non-Current Liabilities	15,820,770		1,384,900	1,384,900	1,384,900
Total Liabilities	15,844,733		1,408,863	1,408,863	1,408,863
Net Asset Value prior to the Proposed Transaction (100% control basis)	(12,134,958)		14,634,510	15,634,510	24,634,510

Note 1 – Independent valuation of the plant and equipment held by Sandstone by Como Engineers in November 2021:

Property, plant and equipment		\$
Book value		1,912,170
Market value		1,905,005
Net adjustment to property, plant and equipment		(7,165)

A Copy of the full report can be found at Appendix 4.

Note 2 - Independent valuation of the tenements held by Sandstone by Burn Shirt dated 14 February 2022:

Mineral assets	Low \$	Preferred \$	High \$
Market value of Sandstone tenements	14,000,000	15,000,000	24,000,000
Net adjustment to mineral assets	14,000,000	15,000,000	24,000,000

A copy of the full report can be found at Appendix 3.

Note 3 – Loan forgiveness

Clause 10.2.12.1 of the SPA required that the loan between Middle Island and Sandstone be converted into ordinary shares in Sandstone or otherwise forgiven by Middle Island on and from completion of the acquisition.

On 17 March 2022, Middle Island resolved to forgive the intercompany loan owed to Middle Island by Sandstone in full. An adjustment is therefore required to reduce the loan balance to nil for the purposes of determining the proforma pre-transaction value of Sandstone.

8.3 Sum of Parts Valuation – Undiluted

- 8.3.1 Using the sum-of-parts methodology, value of an Aurumin share prior to the Proposed Transaction on an undiluted basis is between \$0.1376 and \$0.2912, with a preferred value of \$0.1837, indicated in the table below:

	Section Ref	Low value \$	Preferred value \$	High value \$
Net Asset Value of Aurumin	8.1.5	3,288,147	8,288,147	13,288,147
Net Asset Value of Sandstone	8.2.3	14,634,510	15,634,510	24,634,510
Net Asset Value of the Company prior to the Proposed Transaction (control basis)		17,922,657	23,922,657	37,922,657
Number of Shares on issue prior to the Proposed Transaction (undiluted)	4.6.1	130,240,423	130,240,423	130,240,423
Value of a Company share prior to the Proposed Transaction (control basis)		0.1376	0.1837	0.2912

8.4 Sum of Parts Valuation – Fully Diluted

- 8.4.1 Using the sum-of-parts methodology, value of an Aurumin share prior to the Proposed Transaction on an undiluted basis is between \$0.1133 and \$0.2397, with a preferred value of \$0.1512, indicated in the table below:

	Section Ref	Low value \$	Preferred value \$	High value \$
Net Asset Value of Aurumin	8.1.5	3,288,147	8,288,147	13,288,147
Net Asset Value of Sandstone	8.2.3	14,634,510	15,634,510	24,634,510
Net Asset Value of the Company prior to the Proposed Transaction (control basis)		17,922,657	23,922,657	37,922,657
Number of Shares on issue prior to the Proposed Transaction (fully undiluted)	4.6.1	158,225,633	158,225,633	158,225,633
Value of a Company share prior to the Proposed Transaction (control basis)		0.1133	0.1512	0.2397

8.5 Quoted Market Basis (secondary method)

- 8.5.1 The most recent share trading history can normally provide evidence of the fair market value of the shares in a company where it is publicly listed. As Aurumin is listed on the ASX, a possible method for valuation of Aurumin is the quoted market price basis of valuation.
- 8.5.2 Market value is influenced by the market's perception of many factors including the value of assets, profitability, the industry within which a company operates, managerial skills within a company and future expectations for a company. These market perceptions can change significantly over a short period of time. Share price is also influenced by the supply and demand for the shares.
- 8.5.3 To provide further analysis of the market prices for Aurumin Shares, we have considered the volume weighted average market price ("VWAP") for a 14, 30, 60, 90, 180 and 365 day period to 16 March 2022.

Days*	Low \$	High \$	Cumulative Volume Traded (units)	Cumulative Volume Traded (% of issued shares)	VWAP \$
14	0.150	0.183	1,029,185	1.19%	0.163
30	0.150	0.183	1,358,635	1.57%	0.163
60	0.145	0.190	4,338,449	5.00%	0.167
90	0.145	0.265	8,036,595	9.27%	0.174
180	0.145	0.265	14,541,190	16.76%	0.182
365	0.145	0.350	45,971,642	53.00%	0.217

**Days are based on calendar days per year not trading days*

Aurumin Share Price

- 8.5.4 Between 17 March 2021 and 16 March 2022, Aurumin Shares traded at a high of \$0.350 and a low of \$0.145 with a VWAP of \$0.217.
- 8.5.5 Over the last 12 months, 0.92% of the current issued Shares have been traded on average per week with 46.32% of the total Shares on issue being traded.

Control Premium

- 8.5.6 The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.
- 8.5.7 Per RG 111.25, when considering the value of a company's shares the expert should consider a premium for control. An acquirer could be expected to pay a premium for control due the advantages they will receive should they obtain 100% control of another company.
- 8.5.8 A control premium is an amount that a buyer is usually willing to pay over the current market price of a publicly traded company in order to acquire a controlling share in that company.
- 8.5.9 Control premiums are industry specific, and amounts between 10-50% may be applied. It is appropriate to consider all factors when deciding on a control premium that is to be applied.

- 8.5.10 Under the Corporations Act, control may be deemed to occur when a shareholder or group of associated shareholders control more than 20% of the issued capital of a company.
- 8.5.11 In accordance with RG 111, when assessing fairness, the expert should calculate the value of a company's shares as if 100% control were being obtained. The expert can then consider an allottee's practical level of control when considering reasonableness.
- 8.5.12 A minority interest is the inverse of a control premium and is calculated using the formula $1 - [1 / (1 + \text{Control Premium})]$.

Valuation of Aurumin Shares on a non-control minority basis

- 8.5.13 As outlined in Section 8.2.3 above, the 180-day period indicates a Quoted Market Price VWAP of an Aurumin Share of \$0.182. In our opinion, this historical trading history over 180 days is reflective of the underlying pre-Proposed Transaction value of an Aurumin share.
- 8.5.14 As the listed securities price already takes into consideration a non-controlling interest, we consider the valuation of an Aurumin Share on a non-control minority quoted market price basis to be \$0.182.

Valuation of Aurumin Shares on a control basis

- 8.5.15 Further to Section 8.2.7 above, we have reviewed the control premiums applied in previous independent expert reports assessing the fairness and reasonableness of similar transactions involving mining companies on the ASX.
- 8.5.16 The review indicated a range of premiums between 23% and 33%. As a result, we consider an appropriate control premium to apply to our quoted market price valuation of an Aurumin share is in the range of 23% and 33%. Consequently, applying the formula contained at Section 8.2.12 above to these control premiums yields a minority interest discount in the range of 18% and 25%.
- 8.5.17 Using the quoted market price method, our assessed value of an Aurumin share on a control basis is between \$0.2232 and \$0.2414 with a preferred value of \$0.2323 outlined in the table below:

Valuation prior to the Proposed Transaction	Low Value \$	Preferred Value \$	High Value \$
Quoted market price per Share (Minority basis)	0.182	0.182	0.182
Control premium	23%	28%	33%
Assessed value per Share (Control basis)	0.2232	0.2323	0.2414

Liquidity of Shares

- 8.5.18 Using the information in Section 8.2.3 above, the trading history of Aurumin Shares displays characteristics of a deep and liquid market, with 4% of the Company's current issued capital being traded over a 60 day period between 14 January 2022 and 16 March 2022.
- 8.5.19 Per Regulatory Guide 111.69, an expert is to consider the quoted market price for listed securities, when there is a deep and liquid market.

8.5.20 We consider the characteristics of a deep and liquid market to be:

- an active market which always has willing buyers when sellers choose to sell;
- securities can be sold without materially affecting the market price;
- there is regular trading in a company's securities;
- a minimum of approximately 1% of the company's securities are traded on a weekly basis; and
- there are no significant but unexplained movements in the security's price.

8.5.21 Based on the recent trading history of Aurumin, we consider there to be insufficient volume in the trading history of Aurumin to rely on the Quoted Market Price valuation figure above.

8.6 Conclusion as to the value of an Aurumin Share prior to the Proposed Transaction – Undiluted

8.6.1 In assessing the value of an Aurumin Share, we have considered both the NAV method on an undiluted basis and the Quoted Market Price method. A summary of our primary and secondary methods of valuation are outlined in the tables below:

	Ref	Low Value \$	Preferred Value \$	High Value \$
NAV Sum-of-parts (Primary method)	8.3.1	0.1376	0.1837	0.2912
Quoted market price (Secondary method)	8.5.17	0.2232	0.2323	0.2414
Preferred Value of an Aurumin Share (undiluted)		0.1376	0.1837	0.2912

8.7 Conclusion as to the value of an Aurumin Share prior to the Proposed Transaction – Fully diluted

8.7.1 In assessing the value of an Aurumin Share, we have considered both the NAV method on a fully diluted basis and the Quoted Market Price method. A summary of our primary and secondary methods of valuation are outlined in the table below:

	Ref	Low Value \$	Preferred Value \$	High Value \$
NAV Sum-of-parts (Primary method)	8.4.1	0.1133	0.1512	0.2397
Quoted market price (Secondary method)	8.5.17	0.2232	0.2323	0.2414
Preferred Value of an Aurumin Share (fully diluted)		0.1133	0.1512	0.2397

8.7.2 As Aurumin and Sandstone net asset valuations of Aurumin and Sandstone are based on independent technical assessment of the Company's mineral assets, we believe that the net assets on a going concern methodology is a more appropriate valuation.

8.7.3 Furthermore, as outlined in Section 8.5.21 above, the trading history of Aurumin shares indicates there is not a deep and liquid market to rely on for valuation purposes.

- 8.7.4 Based on our primary method of valuation, we have determined the preferred value of an Aurumin Share prior to the Proposed Transaction on a control basis to be between \$0.1376 and \$0.2912 with a preferred value of \$0.1837 on an undiluted basis and \$0.1133 and \$0.2397 with a preferred value of \$0.1512 on a fully diluted basis.

9. VALUATION OF COMPANY SHARE AFTER THE PROPOSED TRANSACTION

9.1 Sum of Parts Valuation – Undiluted

- 9.1.1 Using the sum-of-parts methodology valuation prior to the Proposed Transaction, the value of an undiluted Company share after the Proposed Transaction on a minority basis is between \$0.1069 and \$0.2329, with a preferred value of \$0.1449 as outlined in the table below:

	Section Ref	Low value \$	Preferred value \$	High value \$
Net Asset Value of Aurumin	8.1.5	3,288,147	8,288,147	13,288,147
Net Asset Value of Sandstone	8.2.3	14,634,510	15,634,510	24,634,510
Conversion of liability to equity	8.1.5	1,800,000	1,800,000	1,800,000
Net Asset Value of the Company prior to the Proposed Transaction (control basis)		19,722,657	25,722,657	39,722,657
Number of Shares on issue after the Proposed Transaction (undiluted)	4.6.1	139,240,423	139,240,423	139,240,423
Value of an Aurumin share after the Proposed Transaction (control basis)		0.1416	0.1847	0.2853
Discount for minority interest	8.5.16	25%	22%	18%
Value of an Aurumin share after the Proposed Transaction (minority basis)		0.1069	0.1449	0.2329

9.2 Sum of Parts Valuation – Fully Diluted

- 9.2.1 Using the sum-of-parts methodology valuation prior to the Proposed Transaction, the value of a fully diluted Aurumin Share after the Proposed Transaction on a minority basis is between \$0.0890 and \$0.1939, with a preferred value of \$0.1206 as outlined in the table below:

	Section Ref	Low value \$	Preferred value \$	High value \$
Net Asset Value of Aurumin	8.1.5	3,288,147	8,288,147	13,288,147
Net Asset Value of Sandstone	8.2.3	14,634,510	15,634,510	24,634,510
Conversion of liability to equity	8.1.5	1,800,000	1,800,000	1,800,000
Net Asset Value of the Company after the Proposed Transaction (control basis)		19,722,657	25,722,657	39,722,657
Number of Shares on issue after the Proposed Transaction (fully diluted)	4.6.1	167,225,633	167,225,633	167,225,633
Value of an Aurumin share after the Proposed Transaction (control basis)		0.1179	0.1538	0.2375
Discount for minority interest	8.5.16	25%	22%	18%
Value of an Aurumin share after the Proposed Transaction (minority basis)		0.0890	0.1206	0.1939

10. ASSESSMENT OF FAIRNESS

10.1 Valuation Price

10.1.1 An offer is fair if the post-transaction value of a share on a minority basis is equal to or greater than the value of a share prior to the transaction on a control basis.

10.1.2 We have determined the value of an Aurumin Share prior to the Proposed Transaction on a control basis compared to the fair value of consideration per Share after the Proposed Transaction on a minority basis, as detailed below:

Undiluted Basis	Ref	Low Value \$	Preferred Value \$	High Value \$
Value per Share prior to the Proposed Transaction (control basis)	8.3.1	0.1376	0.1837	0.2912
Value per Share after the Proposed Transaction (minority basis)	9.1.1	0.1069	0.1449	0.2329
Decrease in value per Share after the Proposed Transaction (undiluted)		0.0307	0.0388	0.0583

Fully Diluted Basis	Ref	Low Value \$	Preferred Value \$	High Value \$
Value per Share prior to the Proposed Transaction (control basis)	8.4.1	0.1133	0.1512	0.2397
Value per Share after the Proposed Transaction (minority basis)	9.2.1	0.0890	0.1206	0.1939
Decrease in value per Share after the Proposed Transaction (fully diluted)		0.0243	0.0306	0.0458

10.1.3 The above values indicate that, in the absence of any other relevant information, we have assessed the terms of the Proposed Transaction in accordance with RG 111 and have determined that the Proposed Transaction is **not fair to the Non-associated Shareholders of the Company**, as the value of a Company Share on a control basis prior to the Proposed Transaction is greater than the value of a Company Share on a minority basis following the Proposed Transaction on an undiluted and fully diluted basis.

11. ASSESSMENT OF REASONABLENESS

11.1 Reasonableness in absence of fairness

11.1.1 A transaction that is not considered fair may still be considered reasonable if there are sufficient reasons for security holders to approve the Proposed Transaction.

11.1.2 The remainder of this Section outlines various considerations made in arriving at our determination of whether the Proposed Transaction is reasonable.

11.2 Practical level of control

11.2.1 Further to Section 8.5.16 above and in accordance with RG111, when considering the value of a company's shares the expert should consider a premium for control. An acquirer could be expected to pay a premium for control due the advantages they will receive should they obtain 100% control of another company.

- 11.2.2 Prior to the Proposed Transaction, Middle Island will hold 19.96% of the Shares in Aurumin on an undiluted basis and 17.22% of the Shares in Aurumin on a fully diluted basis, and does not hold a controlling interest.
- 11.2.3 The issue of Remaining Consideration Shares to Middle Island pursuant to the Proposed Transaction will increase Middle Island's shareholding to 25.14% on an undiluted basis and 21.68% on a fully diluted basis.
- 11.2.4 The issue of the Issued Consideration Shares and the Entitlement Offer Shares have caused Middle Island to become the largest shareholder of Aurumin. It is noted that the top 20 Shareholders other than Middle Island control 38.05% pre the Proposed Transaction and 34.35% post the Proposed Transaction on an undiluted basis. Hence, while Middle Island is likely to have significant influence, it is not clear that Middle Island could exercise control on its own under Aurumin's normal operating conditions. It is also unlikely that the issue of Shares will result in any material change to the level of influence Middle Island may have pre-transaction.
- 11.2.5 Middle Island's control of Aurumin following the Proposed Transaction will be significant but not a controlling interest. Therefore, in our opinion, Middle Island should not be expected to pay a premium for control of Aurumin.

11.3 Advantages of approving the Proposed Transaction

- 11.3.1 We have considered the following advantages to Non-associated Shareholders when assessing whether the Proposed Transaction is reasonable:
- approving the Proposed Transaction will result in \$1,800,000 to continue funding the direct activities of Aurumin;
 - the Proposed Transaction will not result in a change of control; and
 - If the Proposed Transaction is not approved, the Company may require additional capital to fund the exploration activities. If the Company chooses to raise additional capital, this would be at a discounted VWAP to the current share price of \$0.18 per Share as at 29 March 2022 resulting in further dilution to Shareholders.

11.4 Disadvantages of approving the Proposed Transaction

- 11.4.1 If the Proposed Transaction is approved, the potential disadvantages to Non-associated Shareholders include, in our opinion:
- the transaction is not fair to Non-associated Shareholders as per the assessment at Section 10 above; and
 - existing shareholders other than Middle Island will have their total ownership diluted from 80.04% to 74.86% on an undiluted basis and 82.78% to 78.32% on a fully diluted basis.

11.5 Other considerations

- 11.5.1 Other considerations made in arriving at a conclusion on the reasonableness of the Proposed Transaction are summarised below:
- The issue of the Remaining Consideration Shares was part of the total consideration for the Acquisition and would have otherwise required Shareholder approval; and

- The consideration paid on the acquisition of Sandstone was less than the current valuation of mineral assets in the Independent Valuation Report by Burnt Shirt (see Appendix 3).

11.6 Assessment of Reasonableness

11.6.1 After consideration of the advantages and disadvantages of the transaction, it is our opinion that the transaction is **reasonable** to the Non-associated Shareholders.

12. CONCLUSION

12.1 Assessment of Fairness & Reasonableness

12.1.1 We have considered the terms of the Proposed Transaction as outlined in the body of this Report and have concluded that the Proposed Transaction is **not fair but is reasonable** to the Non-associated Shareholders of Aurumin.

13. SOURCES OF INFORMATION

13.1 Source Documents

13.1.1 This Report has been based on the following information:

- Notice of Meeting;
- Reviewed Half-Year Report for Aurumin as at 31 December 2021;
- Audited Annual Report for Aurumin as at 30 June 2021;
- Management accounts for Sandstone as at 31 December 2021;
- Management accounts for Sandstone as at 30 June 2021;
- Binding Share Purchase Agreement between Aurumin, Aurumin Australia Pty Ltd, Middle Island and Sandstone dated 7 December 2021;
- SPA Amendment dated 11 March 2022
- Aurumin tenement valuation dated 31 March 2022
- Sandstone tenement valuation dated 31 March 2022
- Convertible Note Agreement between Aurumin and Collins St Asset Management Pty Ltd dated 15 December 2021;
- Sub-underwriting Agreement 9 February 2022
- November 2021 Sandstone Gold Plant Valuation prepared by Como Engineers
- ASIC current company extracts;
- Information in the public domain; and
- Discussions and correspondence with the Directors of Aurumin.

14. INDEPENDENCE

14.1 Independence Statement

14.1.1 Pendragon Capital Limited is entitled to receive a maximum fee of \$20,000 (excluding GST) for completion of this report. The fee is a fixed fee based on the normal charge rates for the professionals involved in the preparation of this Report. The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, Pendragon Capital Limited has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

- 14.1.2 Pendragon Capital Limited has been indemnified by Aurumin in respect of any claim arising from Pendragon Capital Limited's reliance on information provided by Aurumin, including the non-provision of material information, in relation to the preparation of this Report.
- 14.1.3 Prior to accepting this engagement Pendragon Capital Limited has considered its independence with respect to Aurumin and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In Pendragon Capital Limited's opinion it is independent of Aurumin and their respective associates.
- 14.1.4 Neither the signatory to this report nor Pendragon Capital Limited have had within the past two years any professional relationship with Aurumin, or their associates, other than in connection with the preparation of this Report.
- 14.1.5 A draft of this Report was provided to Aurumin and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this Report as a result of this review.

15. INDEMNITY

15.1 Indemnity Statement

- 15.1.1 Pendragon has been provided with an indemnity from Aurumin in the following form:

"Aurumin indemnifies Pendragon and any employees or associates from any claims arising out of any omission or any misstatement in relation to any material provided (or which, being relevant, is not provided) by Aurumin".

16. QUALIFICATIONS

16.1 Australian Financial Services Licence

- 16.1.1 Pendragon holds Australian Financial Services Licence number 237549 issued by ASIC. Pendragon has experience in the provision of corporate finance advice. Mr Keith Platel, the director responsible for and signing this Report, is a Fellow of the Institute of Chartered Accountants and has many years' experience in preparing company valuations and reports.

17. DISCLAIMERS AND CONSENTS

17.1 Disclaimer Statement

- 17.1.1 This Report has been prepared at the request of Aurumin for inclusion in its Notice of Meeting for Shareholders to be forwarded to Shareholders in relation to the Proposed Transaction.
- 17.1.2 Pendragon hereby consents to this Report accompanying the Notice of Meeting for Aurumin Shareholders. Pendragon takes no responsibility for the contents of the Notice of Meeting other than this Report. This Report has been prepared for the Directors of Aurumin to forward to Shareholders and apart from such use, neither the whole nor any part of this Report may be used for any other purpose.

17.1.3 In providing our opinion, we have relied on information provided by Directors of Aurumin. Where financial forecasts have been provided, it should be noted that there are likely to be differences to actual results due to various and unpredictable commercial and external factors.

17.1.4 Pendragon has not independently verified the information supplied to us and it has not conducted anything in the nature of an audit of Aurumin. Pendragon has no reason to believe that any information relied on by us is incorrect or incomplete. The opinions and statements in this Report are given in good faith and in the reasonable belief they are not false, misleading or incomplete.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Keith Platel', with a long horizontal flourish extending to the right.

Keith Platel
Director

Pendragon Capital Limited

APPENDIX 1 – GLOSSARY OF TERMS

Reference	Definition
“AFSL”	Australian Financial Services License
“ASIC”	Australian Securities and Investments Commission
“Aurumin” or “the Company”	Aurumin Limited (ACN 639 427 099)
“AusIMM”	Australasian Institute of Mining and Metallurgy
“Capital Raising”	Collectively refers to the Placement, the Convertible Note Issue and the Entitlement Offer
“Conditions Precedent”	Conditions Precedent in the SPA as contained in Clause 7 of the SPA
“Consideration Cash”	\$6,000,000 paid by Aurumin to Middle Island as partial consideration for the Sandstone Acquisition
“Convertible Note Issue”	Proposed issue of 10,000,000 convertible notes to Collins St Asset Management Pty Ltd as trustee for the Collins St Value Fund
“Convertible Notes”	Those issued under the Convertible Note Issue
“Entitlement Offer Options”	Those issued under the Entitlement Offer
“Entitlement Offer Shares”	Minimum shares taken up under the Entitlement Offer, being 10,000,000 shares at \$0.20 per share underwritten by Lazarus
“Entitlement Offer”	Proposed issue of 24,810,106 shares in Aurumin to eligible existing shareholders, plus 2,500,000 options issued to Lazarus
“Financing Condition”	Clause 7.1.1 of the SPA
“Issued Consideration Shares”	21,000,000 shares in Aurumin issued to Middle Island on 8 February 2022 as partial consideration for the Sandstone Acquisition
“Lazarus”	Lazarus Corporate Finance
“Middle Island”	Middle Island Resources Limited (ACN 142 361 608)
“NAV”	Net asset value
“Noteholder”	Collins St Asset Management Pty Ltd (ACN 601 897 974)
“Non-associated Shareholders”	Existing shareholders of Aurumin who are not associated with Middle Island
“Pendragon”, “we”, “us”, or “our”	Pendragon Capital Limited (ABN 17 008 963 755)
“Placement Options”	Issue of 2,000,000 options to the placement lead manager KG Capital Partners
“Placement Shares”	Issue of 12,500,000 shares in Aurumin to sophisticated and professional investors as part of the Capital Raising
“Placement”	Issue of the Placement Shares and the Placement Options
“PMM”	Polymetals Mining Limited
“Remaining Consideration Shares” or “Proposed Transaction”	9,000,000 shares in Aurumin to be issued to Middle Island as partial consideration for the Sandstone Acquisition
“Report”	This Independent Expert’s Report dated 22 March 2022
“RG 111”	ASIC Regulatory Guide 111
“RG 74”	ASIC Regulatory Guide 74
“Sandstone Acquisition”	Acquisition of the Sandstone Gold Project in Western Australia
“Sandstone”	Sandstone Operations Pty Ltd (ACN 611 811 280)
“SPA”	Binding Share Purchase Agreement between Aurumin and Middle Island dated 7 December 2021
“SPA Amendment”	Amendment to the SPA dated 11 March 2022
“Sub-underwriting Agreement”	Agreement between Lazarus and Middle Island for Middle Island to partially sub-underwrite the Entitlement Offer to the extent of \$1,000,000 at \$0.20 per share
“the Act”	Corporations Act 2001
“Top Up Offer”	Offer to eligible shareholders to subscribe for shares in excess of their entitlements not subscribed for by other eligible shareholders pursuant to the Entitlement Offer
“VWAP”	Volume weighted average price

Other capitalised terms used in this Report are defined throughout the Report or the Notice of Meeting.



AURUMIN PROJECTS

Valuation Opinion Report

MARCH 2022

REPORT PREPARED FOR AURUMIN LIMITED

MR BRAD VALIUKAS

REPORT AUTHOR

JEREMY PETERS, BSC BENG FAUSIMM CP (MIN,GEO)

REPORT REVIEWER

PAUL MAZZONI, MSC BSC FAUSIMM

**Burnt
Shirt**



All rights in this document are reserved in accordance with the terms of the agreement between Burnt Shirt Pty Ltd and Aurumin Limited.

© 2022 Burnt Shirt Pty Ltd



Burnt Shirt Pty Ltd

PO Box 314, Northbridge WA 6865, AUSTRALIA

0437 408 942 • admin@burntshirt.com.au

ABN 17 619 324 622

31 March 2022

Mr Brad Valiukas
Managing Director
Aurumin Limited
PO Box 446
Subiaco WA 6904

Via email: brad.valiukas@aurumin.com.au

Dear Brad

VALUATION OPINION – GOLD PROJECT TENEMENTS

Burnt Shirt Pty Ltd (Burnt Shirt) has been requested¹ by Aurumin Limited (Aurumin) to prepare a Valuation Opinion of the Mineral Assets² of the Aurumin Gold Projects ("the Projects"), including the Mount Dimer, Mount Palmer, Jaurdi, Jilbadgi, Johnson Range, Karramindie, Ularring and Yilgarn Star groups of tenements, located in Western Australia. Burnt Shirt understands the purpose of this Valuation Opinion is to support a potential transaction.

This Valuation Opinion is prepared in accordance with the guidelines of the VALMIN Code and has an Effective Date of 14 February 2022, this being the date on which the Mineral Assets of the other part to the transaction, Middle Island Resources Limited, were valued. The Mineral Assets were either wholly owned or partially owned by Aurumin as at that date.

There are neither Mineral Resources nor Ore Reserves³ reported for the Mineral Assets.

A draft version of this report was provided to Aurumin, along with a request to confirm that there are no material errors or omissions in the report and that the information in the report is factually accurate.

Confirmation of those terms has been provided in writing and has been relied upon by Burnt Shirt. This report is provided subject to the following assumptions and qualifications:

- Aurumin has made available to Burnt Shirt all material information in its possession or known to it in relation to the technical, development, mining, and financial aspects of the project areas and that it has not withheld any material information and that information is accurate and up to date in all material respects.
- All reports and other technical documents provided by Aurumin correctly and accurately record the result of all geological and other technical activities and metallurgical test work conducted to date in relation to the Mineral Assets and accurately record any advice from relevant technical experts.
- It is assumed Aurumin has good and valid title to all tenements or other land tenure required to explore, develop, mine and operate within the project areas in the manner proposed. Burnt Shirt has not been provided with a legal due diligence document as to the status of the tenements but has examined public records within its bounds of expertise.

¹ Email, Brad Valiukas to Jeremy Peters dated 14 February 2022.

² As defined by VALMIN 2015, Australasian Code for Public Reporting of Technical Assessments and Valuation Opinions of Mineral Assets (the VALMIN Code).

³ As defined by JORC, 2012. Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code).

- All necessary governmental consents and approvals (including those regarding environmental issues) required to manage exploration of the Mineral Assets have been obtained or will be forthcoming without any material delay and on terms which will not cause any material change to any exploration or other activities proposed and which will not cause any material change to the costs of such activities.
- All the information provided by Aurumin pertaining to Mineral Assets or its history or future intentions, financial forecasting, or the effect of relevant agreements, is correct and accurate in all material respects.
- This Valuation Opinion contemplates the Aurumin Mineral Assets only. Burnt Shirt is not qualified to, nor does it value other property, plant and equipment or financial instruments, although some value for such things may be implied in Valuation Opinions that are based on comparable transactions.

In relation to the above qualifications, Burnt Shirt did not undertake any independent enquiries or audits to verify that the assumptions are correct and gives no representation that they are correct. Burnt Shirt has not carried out any type of audit of Aurumin's records to verify that all material documentation has been provided.

Burnt Shirt has however endeavoured, by making reasonable enquiry of Aurumin and the relevant public databases in Western Australia, to ensure that all material information in the possession of Aurumin has been fully disclosed to Burnt Shirt.

Executive Summary

Burnt Shirt considers that the aggregate Technical Value of the exploration assets on or about 14th February 2022 lies within a range of value between **A\$8 million** and **A\$18 million**, with a Preferred Value of **A\$13 million**, in the middle of this range.

Burnt Shirt considers that the Market Value of Aurumin's Mineral Assets on or about 14th February 2022 is the same as that for the Technical Value. This Market Value is derived from observation of the enterprise value of Aurumin as at the Valuation Date.

Yours faithfully



Jeremy Peters, BSc BEng FAusIMM CP (Min, Geo) AWASM
Director
Burnt Shirt Pty Ltd

Email: jeremy.peters@burntshirt.com.au
Phone: +61 437 408 942

CONTENTS

1	INTRODUCTION	8
1.1	Mineral Assets.....	8
1.2	Valuation Opinion Results	10
1.2.1	Market Value	10
1.3	Qualifications of Practitioner.....	10
1.4	Effective Date.....	10
1.5	Sources of Information and Site Visit	11
1.6	Mineral Resources and Ore Reserves	11
1.7	Limitations	11
1.8	Reliance on Information.....	11
1.9	Declaration	12
1.9.1	Consent.....	12
1.9.2	Copyright.....	12
1.10	Reliance on Other Experts	12
2	AURUMIN'S GOLD PROJECTS.....	13
2.1	Overview	13
2.1.1	Mount Dimer	13
2.1.2	Mount Palmer	13
2.1.3	Johnson Range.....	13
2.1.4	Karramindie.....	14
2.2	Mount Dimer, Ularring, Jaurdi and Jilbadgi	14
2.2.1	Geological Concept	14
2.2.2	Location and Access	15
2.2.3	Aboriginal Heritage, Native Title, and Environment.....	16
2.2.4	Regional Geology.....	16
2.2.5	Mineralisation.....	16
2.2.6	Previous Exploration	17
2.3	Mount Palmer and Yilgarn Star.....	19
2.3.1	Geological Concept	19
2.3.2	Location and Access	20
2.3.3	Aboriginal Heritage, Native Title, and Environment.....	21
2.3.4	Regional Geology.....	21
2.3.5	Mineralisation.....	22
2.3.6	Previous Exploration	22
2.4	Johnson Range.....	24
2.4.1	Geological Concept	24
2.4.2	Location and Access	25
2.4.3	Aboriginal Heritage, Native Title, and Environment.....	26
2.4.4	Regional Geology.....	26
2.4.5	Mineralisation.....	26
2.4.6	Previous Exploration	27
2.5	Karramindie.....	28

2.5.1	Geological Concept	28
2.5.2	Location and Access	29
2.5.3	Aboriginal Heritage, Native Title, and Environment.....	29
2.5.4	Regional Geology.....	29
2.5.5	Mineralisation.....	29
2.5.6	Previous Exploration	30
3	VALUATION OPINION.....	32
3.1	Considerations.....	32
3.2	Valuation Opinion Methods.....	32
3.2.1	Mineral Assets with Mineral Resources and Ore Reserves.....	32
3.2.2	Mineral Assets in the Exploration Stage.....	32
3.2.3	Multiple Valuation Opinion Approaches.....	34
3.3	Valuation Opinion Parameters	34
3.4	Base Acquisition Cost	35
3.5	Gold Price	35
4	VALUATION OPINION RESULTS.....	37
4.1	Exploration Potential.....	37
4.2	Market Value.....	37
5	ABBREVIATIONS AND UNITS	42

Tables

Table 1.1	Aurumin tenement schedule.....	9
Table 1.2	Mineral Asset Exploration Potential Valuation Opinion.....	10
Table 1.3	Responsibilities of the author	11
Table 3.1	Burnt Shirt Aurumin BAC	35
Table 4.1	Jaurdi EL Kilburn Technical Value	38
Table 4.2	Jaurdi PL Kilburn Technical Value.....	38
Table 4.3	Jaurdi SPL Kilburn Technical Value.....	38
Table 4.4	Jilbadgi EL Kilburn Technical Value.....	39
Table 4.5	Jilbadgi SPL Kilburn Technical Value	39
Table 4.6	Johnson Range ML Kilburn Technical Value.....	39
Table 4.7	Johnson Range SPL Kilburn Technical Value.....	39
Table 4.8	Karramindie EL Kilburn Technical Value	40
Table 4.9	Mount Dimer ML Kilburn Technical Value	40
Table 4.10	Mount Dimer EL Kilburn Technical Value.....	40
Table 4.11	Mount Dimer SPL Kilburn Technical Value	40
Table 4.12	Mount Palmer ML Kilburn Technical Value	41
Table 4.13	Mount Palmer EL Kilburn Technical Value.....	41
Table 4.14	Mount Palmer PL Kilburn Technical Value.....	41
Table 4.15	Ularring EL Kilburn Technical Value	41
Table 4.16	Yilgarn Star EL Kilburn Technical Value	41

Figures

Figure 1.1	Aurumin's Gold Projects.....	8
Figure 2.1	Mount Dimer geology	15
Figure 2.2	Mount Dimer regional geology	16
Figure 2.3	Mount Palmer geology.....	20
Figure 2.4	Mount Palmer tenure.....	21
Figure 2.5	Johnson Range geology.....	25
Figure 2.6	Johnson Range tenements	25
Figure 2.7	Karramindie geology.....	28
Figure 3.1	One year A\$ gold price	36

Appendix

Appendix A	Burnt Shirt's Kilburn Multipliers and Criteria
------------	--

1 INTRODUCTION

Burnt Shirt Pty Ltd (Burnt Shirt) has been requested by Aurumin Limited (Aurumin) to prepare a Valuation Opinion of Aurumin's 100% owned Projects for the purpose of a potential transaction.

The tenements are in the Southern Cross and Coolgardie/Kalgoorlie regions of Western Australia, accessed by gravel roads via a sealed highway between Perth and Kalgoorlie.

This document has been commissioned by Aurumin and is prepared in accordance with the 2012 guidelines of the Australian Joint Ore Reserves Committee ("the JORC Code") and the 2015 Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets ("the VALMIN Code").

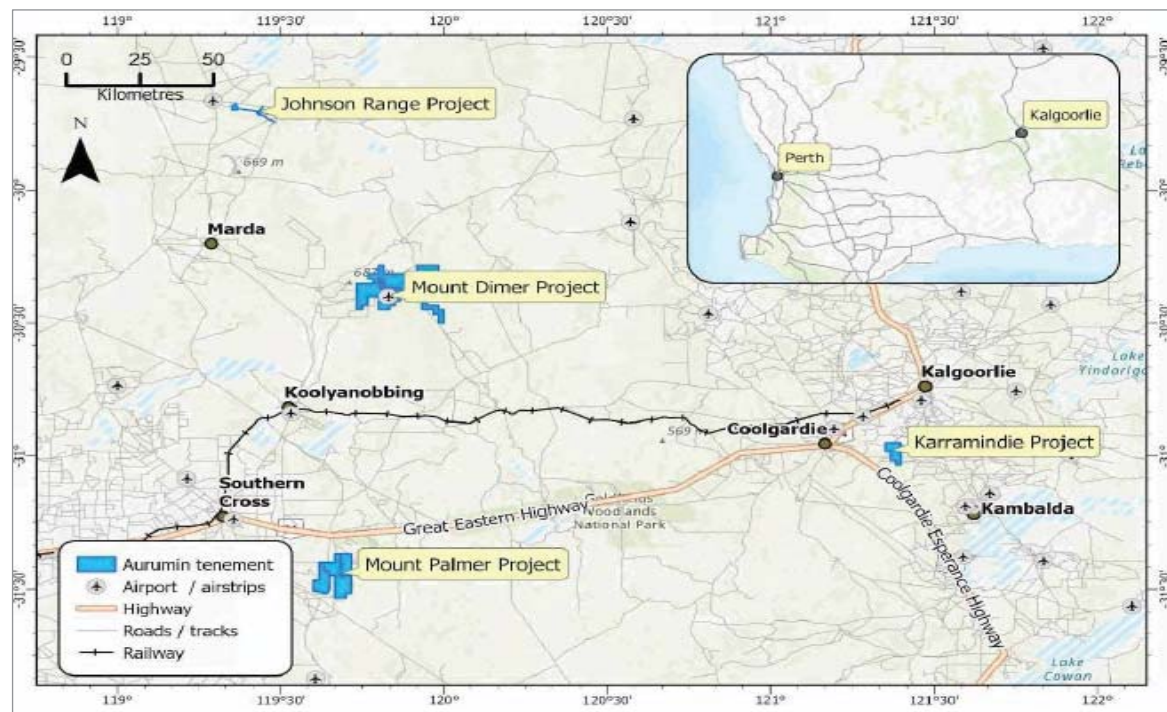
While the VALMIN Code has been considered in its preparation, the report is not to be used for any purpose other than its stated purpose without the consent of Burnt Shirt.

1.1 Mineral Assets

The Mineral Assets that are the subject of this Valuation Opinion are 48 tenements (or applications for) over a 477 km² area (Figure 1.1 and Table 1.1).

Burnt Shirt has sighted a Tenement Report from a professional tenement manager⁴ as to the status of the tenure and has therefore relied on independent confirmation via the Department of Mines, Industry Regulation and Safety (DMIRS) online tenement database, Mineral Titles Online, accessed on 30 March 2022, to inform this Valuation Opinion.

Figure 1.1 Aurumin's Gold Projects



Source: Aurumin's Prospectus, 1 October 2020

⁴ Email, Mark Rowbottom to Clare Osborne, 28 March 2022, attachment AURU_2022_March_Schedule.xls

Table 1.1 Aurumin tenement schedule

Project	Tenement	Licensee	Status	Grant/ Application	Expiry	Area blocks (ha)
Mount Dimer	M77/0427	Aurumin	Live	30/03/1990	29/03/2032	(664.6)
	M77/0428		Live	30/03/1990	29/03/2032	(625)
	M77/0957		Live	20/02/2007	19/02/2028	(54.305)
	M77/0958		Live	20/02/2007	19/02/2028	(52.185)
	M77/0965		Live	19/03/2007	18/03/2028	(612.65)
	E77/1992		Live	17/05/2021	16/05/2022	3
	E77/2518		Live	07/08/2018	06/08/2023	8
	E77/2560		Live	14/05/2019	13/05/2024	1
	E77/2662		Live	15/04/2021	14/04/2026	16
	L77/0083	Aurumin (96%)	Live	29/03/1990	28/03/2025	(3)
	L77/0135		Live	08/09/1993	07/09/2023	(62)
	L77/0147		Live	16/11/1994	15/11/2024	(8)
Mount Palmer	M77/0406	Aurumin	Live	30/03/1990	29/03/2032	(21.05)
	E77/2210		Live	07/11/2014	16/11/2024	10
	E77/2333		Live	04/07/2016	03/07/2026	15
	E77/2423		Live	26/07/2017	25/07/2022	10
	P77/4527		Live	25/03/2020	24/03/2024	(171)
Johnson Range	M77/1263		Live	15/05/2012	14/05/2033	(185)
	G77/0119		Live	21/02/2013	20/02/2034	(299)
	L77/0245		Live	27/12/2012	26/12/2033	(7)
	L77/0247		Live		26/12/2033	(7)
	L77/0248		Live	21/02/2013	20/02/2034	(96)
Karramindie	E15/1769		Live	07/12/2021	06/12/2026	11
Jaurdi	E16/0571		Pending	11/11/2020		67
	E77/2662		Live	15/04/2021	14/04/2026	16
	E77/2726		Pending	11/11/2020		22
	E77/2729		Live	22/12/2021	21/12/2026	30
	E77/2786		Pending	26/03/2021		30
	E77/2787					42
	E77/2788					20
	E77/2815			27/05/2021		39
	E77/2816					35
	L16/0135					(161)
	L77/0328			05/11/2020		(122)
	L77/0329					(19)
	L77/0330					(26)
	P77/4576			12/02/2021		(51)
Jilbadji	E77/2668			01/05/2020		14
	E77/2680			03/06/2020		2
	E77/2763			14/01/2021		64
	E77/2894			21/10/2021		67
	E77/2895					70
	E77/2903			29/11/2021		4
	L77/0344			23/02/2021		(2)
	L77/0345					(11)
	L77/0346					(24)
Ularring	E77/2595		Live	13/03/2020	12/03/2025	1
Yilgarn Star	E77/2702			26/05/2021	25/05/2026	5

Source: Aurumin, 2022

1.2 Valuation Opinion Results

The value of the Exploration Potential for Aurumin's tenure has been determined using the Geoscientific method as described in Section 3. On this basis, Burnt Shirt estimates the Technical Value of the Exploration Potential of the tenements to be within a range of from **A\$8.4 million to A\$18.0 million**, with a Preferred Value in the middle of this range of **A\$13.2 million** (Table 1.2).

Table 1.2 Mineral Asset Exploration Potential Valuation Opinion

Aggregate Valuation Opinion (A\$ M)			
Project	Lower	Upper	Preferred
Jaurdi	0.4	1.4	0.9
Jilbadgi	Nominal Value		
Mount Dimer	7.2	14.9	11.0
Mount Palmer	0.7	1.4	1.0
Johnson Range	0.01	0.05	0.03
Yilgarn Star/Ularring	Nominal Value		
Karramindie	0.02	0.05	0.03
AGGREGATE VALUE (A\$ M)	8.4	18.0	13.2

1.2.1 Market Value

Burnt Shirt observes that the enterprise value of Aurumin as at the Valuation Date was around A\$17 million and Burnt Shirt considers that this value represents the Market Value of Aurumin's assets.

Consequently, Burnt Shirt considers that the implied Market Value broadly supports Burnt Shirt's Technical Value and that the Market Value falls in the same range as the Technical Value.

1.3 Qualifications of Practitioner

The Practitioner for preparation of this Valuation Opinion is Mr Jeremy Peters, BSc BEng FAusIMM CP (Mining, Geology), who is a dual qualified geologist and mining engineer with more than 30 years' professional and general experience in the mining industry since graduation.

Mr Peters has been continuously involved in the preparation of Mineral Asset Valuation Opinions and Competent Persons Reports for 13 years and intermittently for 25 years. Mr Peters has extensive exposure to and understanding of the JORC Code, the VALMIN Code, the public policies of the Australian Securities and Investments Commission and the Listing Rules of the Australian Securities Exchange (ASX).

1.4 Effective Date

The Effective Date of this report is 14 February 2022, this being the date on which the Mineral Assets of the other party to the transaction, Middle Island Resources Limited, were valued. The author has valued the Mineral Assets in accordance with the state of knowledge as at that date.

Unless otherwise stated, information and data contained in this report or used in its preparation has been provided by Aurumin or has been gathered from public sources.

1.5 Sources of Information and Site Visit

Mr Peters has not directly visited the Aurumin project sites for the purposes of this Valuation Opinion but is familiar with each area because of previous engagements in the respective regions. Mr Peters most recently examined the geology in the vicinity of Southern Cross and Coolgardie in December 2021.

In preparing this report, Mr Peters has extensively relied on information collated by other parties, as described in Section 1.10 below. Mr Peters has critically examined this information, made his own enquiries, and applied his general geological competence to conclude that the information presented in this Valuation Opinion complies with the definitions and guidelines of the JORC Code.

The responsibility of the author is provided in Table 1.3.

Table 1.3 Responsibilities of the author

Author	Responsible for sections
Jeremy Peters, FAusIMM CP (Min, Geo)	1, 2, 3, 4

Unless otherwise stated, all currencies are expressed in Australian dollars (A\$), units of measurement are metric and the Geocentric Datum of Australia 1994 (GDA94) Zone 52 map grid has been used. Historical units have been converted to metric units.

Burnt Shirt is responsible for this report and declares that it has taken all reasonable care to ensure that the information contained in this report is, to the best of its knowledge, in accordance with the facts and contains no material omissions.

1.6 Mineral Resources and Ore Reserves

Neither Mineral Resources nor Ore Reserves exist for the purposes of this Valuation Opinion.

1.7 Limitations

To the fullest extent permitted by law, Burnt Shirt does not assume any responsibility and will not accept any liability to any other person other than the addressees for any loss suffered by any such other person because of, arising out of, or in connection with the Valuation Opinion or statements contained therein.

Aurumin has confirmed to Burnt Shirt that, to its knowledge, the information provided (when provided) was complete and not incorrect or misleading in any material respect. Burnt Shirt has no reason to believe that any material facts have been withheld. Aurumin has confirmed that it believes that it has provided all material information available to it that is material to the Valuation Opinion Date.

1.8 Reliance on Information

Burnt Shirt believes that its opinion must be considered as a whole, and that partial analysis could create a misleading view of the process underlying the Valuation Opinion. The preparation of a Valuation Opinion is a complex process and does not lend itself to partial analysis or summary.

1.9 Declaration

Burnt Shirt will receive a fee for the preparation of this report in accordance with normal professional consulting practice. This fee is not contingent on the outcome of the Valuation Opinion and Burnt Shirt will receive no other benefit for the preparation of this report. Burnt Shirt does not have any pecuniary or other interests that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the assets and the projections and assumptions included in the various technical studies supplied by Aurumin, opined upon by Burnt Shirt and reported herein.

Neither Burnt Shirt, the Practitioner (Mr Peters), who is responsible for authoring this Valuation Opinion, nor any Directors of Burnt Shirt have at the date of this report, nor have had within the previous two years, any shareholding in Aurumin or any of its advisors or related parties. Consequently, Burnt Shirt, Mr Peters and the Directors of Burnt Shirt consider themselves to be independent of Aurumin and its related parties.

1.9.1 Consent

Burnt Shirt has given and has not withdrawn its written consent to the use of this Valuation Opinion for commercial purposes by Aurumin.

Where any information in the Valuation Opinion has been sourced from a third party, such information has been accurately reproduced and no facts have been omitted that would render the reproduced information inaccurate or misleading.

1.9.2 Copyright

Copyright of all text and other matter in this document, including the manner of presentation, is the exclusive property of Burnt Shirt.

It is an offence to publish this document or any part of the document under a different cover, or to reproduce and/or use, without written consent, any proprietary technical procedure and/or technique.

1.10 Reliance on Other Experts

In preparing this report, Burnt Shirt has been reliant on information provided by Aurumin and publicly available information regarding geology and operations in the relevant project area.

The principal source of information regarding Aurumin's assets is private and statutory reports that have been prepared by Aurumin's staff and others and submitted to the ASX and the DMIRS.

Burnt Shirt has examined a large volume of information regarding the history of Aurumin's projects and has considered the information provided in Aurumin's Independent Expert's Report (IER) dated 1 October 2020, prepared by Sahara Natural Resources Pty Ltd (Sahara). Burnt Shirt has also examined announcements to the ASX made throughout from 2020 by Aurumin. Burnt Shirt recommends the references listed in that report as supplying appropriate background information for this Valuation Opinion.

2 AURUMIN'S GOLD PROJECTS

2.1 Overview

Aurumin's gold projects comprise 42 tenements over a 477km² area, including Mount Dimer, Mount Palmer, Johnson Range, and Karramindie.

The deposits being sought are orogenic greenstone hosted gold deposits, typical of the Western Australian Goldfields.

The following descriptions are, for the most part, drawn from Sahara's October 2020 Independent Geologists Report, forming part of the Aurumin Prospectus.

2.1.1 Mount Dimer

The Mount Dimer Project is in the southern area of the Marda-Diemals Greenstone Belt (MDGB) within the Southern Cross Domain (SCD) of the Yilgarn Craton. The SCD consists of multiple greenstone belts that are bounded by granites.

The project area is predominantly under cover with transported material and laterite obscuring the bedrock units. There are limited exposures of mafic and granitic units throughout the project and banded iron formation (BIF) from the Helena and Aurora Ranges in the northern area.

Gold mineralisation at Mount Dimer is orogenic in nature and occurs primarily as Archean quartz lode structures with associated lateritic and supergene mineralisation developed in the regolith. The latter two styles of mineralisation have been exploited historically by open pit mining, while sulphide-bearing quartz lodes have been mined from underground workings.

The project was discovered by Western Mining Corporation (WMC) in the 1980s and mined by Tectonic Resources (Tectonic) between 1994 and 1997. A total of around 4,245 drillholes for 190,708 m have been drilled across the project.

2.1.2 Mount Palmer

Mount Palmer is in the central area of the Southern Cross Greenstone Belt (SCGB). This belt is a north-northwest trending greenstone belt that extends discontinuously for approximately 200 km, from north of Bullfinch to 40 km south of Marvel Loch in Western Australia.

The Mount Palmer project area contains good outcrop around the hill known as Mount Palmer, formed by a bucky quartz vein within an amphibolite; elsewhere outcrop is limited.

There are two main styles of gold mineralisation; the primary style being shear hosted, as found in the Marvel Loch and Yilgarn Star deposits, and the second style comprising mineralised BIFs such as Copperhead and Nevoria deposits.

A total of around 693 drillholes for 28,962 m have been drilled across the project from Aurumin data compilation to date. Most exploration in this area has focused immediately around the Mount Palmer Gold Mine which was mined in the 1940s.

2.1.3 Johnson Range

The Johnson Range Project is in the northern area of the MDGB within the SCD of the Yilgarn Craton.

Most of the project consists of colluvium-alluvium cover overlying a developed regolith consisting of a lateritic horizon between 1 m and 15 m thick, a mottled zone transitioning into a bleached clay zone ranging in thickness between 5 m and 20 m.

Aurumin has compiled the historical exploration data with around 949 drillholes for 60,084 m compiled in the database to date.

During the 1980s, AGE (Joint Venture company) identified a resource at the prospect Zone C. Part of this resource was later mined as three shallow open pits and processed onsite by VAT leach operation in the early 1990s.

Aurumin has identified ten exploration targets, mainly associated with high magnetic response potentially associated with BIF targets. These targets have had little to no drilling associated with them.

2.1.4 Karramindie

The Karramindie Project is located within the Kalgoorlie Terrane, the westernmost terrane within the larger Eastern Goldfields Super terrane consisting of the Kalgoorlie, Kurnalpi, and Burtville.

Karramindie occurs between two shear zones: Karramindie in the east and Kunanalling in the west. The Karramindie Shear is north-northwest trending, wrapping around the Depot Granodiorite, and is an important structure in the deposition of gold mineralisation such as the Freddo Gold Mine on the northeast boundary of Karramindie and Ghost Crab Gold Mine 6 km to the south of Karramindie.

Aurumin has compiled the historical exploration data which includes 89 drillholes for 3,655 m. The project has had minimal exploration.

Aurumin has identified fifteen exploration targets defined by prospective geology and structure along with historical geochemistry and drilling results.

2.2 Mount Dimer, Ularring, Jaurdi and Jilbadgi

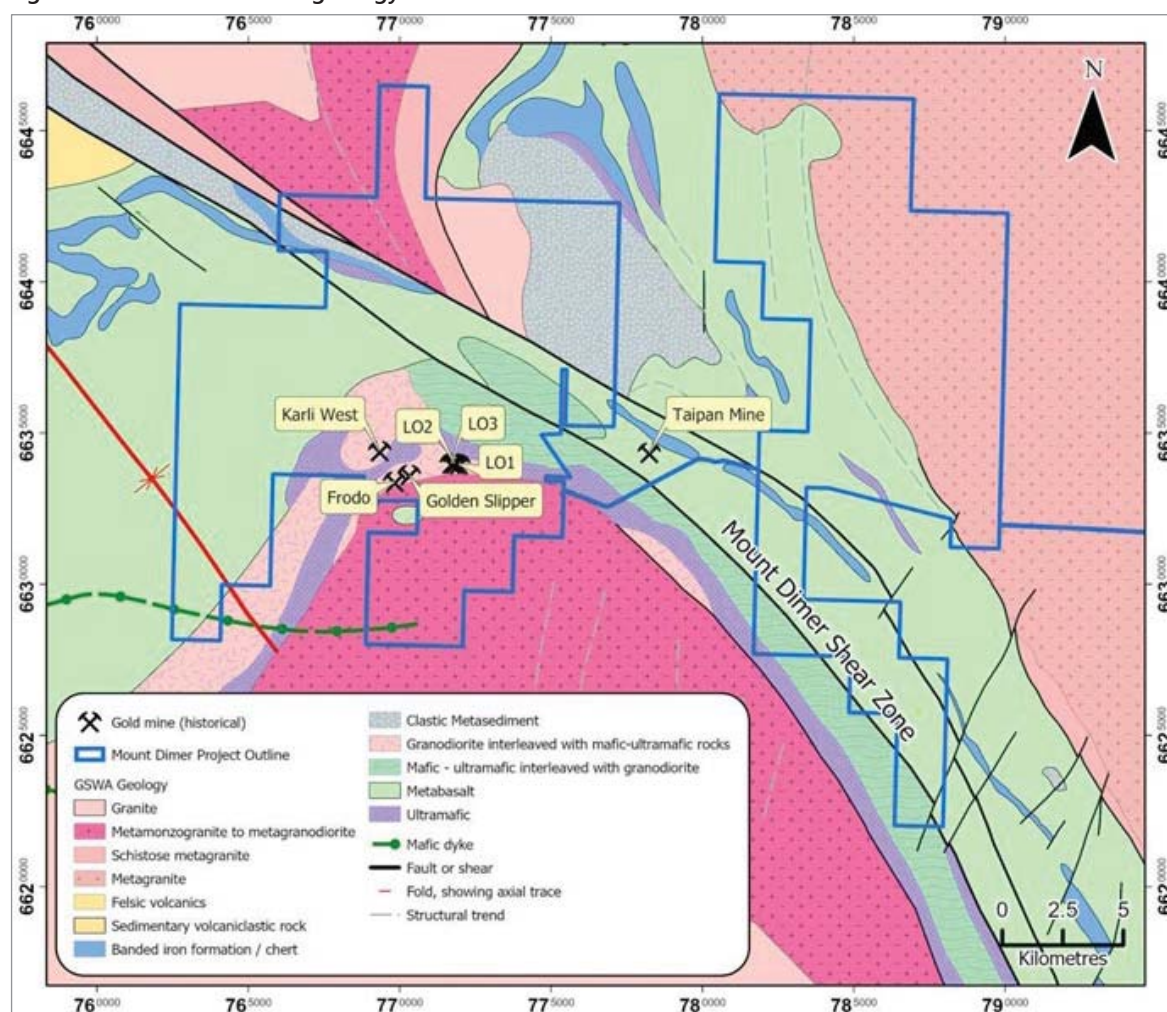
2.2.1 Geological Concept

The Mount Dimer, Ularring, Jaurdi and Jilbadgi projects are geologically and proximally related.

Aurumin considers these projects to be prospective for gold mineralisation, with previous historical mining of high-grade gold across multiple open pit and underground mines (Figure 2.1). Burnt Shirt concurs with this view.

The projects are at an advanced stage of exploration, with historical mining and systematic modern surface exploration including geochemical sampling programs, drilling, and regional to project scale airborne magnetic and radiometric surveys completed.

Figure 2.1 Mount Dimer geology



Source: Sahara, 1 October 2020

2.2.2 Location and Access

The Mount Dimer Project consists of granted Mining Leases M77/0427, M77/0428, M77/0957, M77/0958 and M77/0965 and various exploration and infrastructure licences within the proximity of the Mount Dimer Mining Centre.

Mount Dimer Gold Project is located approximately 120 km northeast of the Southern Cross townsite in the Shire of Yilgarn, Western Australia. The project can be accessed from Perth by the Great Eastern Highway to Southern Cross (370 km) and then by local roads via Koolyanobbing (140 km). Various gazetted roads, station and exploration tracks provide access to and within the tenements to the main prospect areas.

Movement within the project can become restricted during heavy periods of rain. The project is located within the Jackson (SH50-12) 1:250,000 and the Bungalbin (2837) 1:100,000 map sheets.

The climate of the region is semi-arid with warm to hot dry summers, and cool wet winters with summer rains related to tropical fronts migrating from the north. Rainfall associated with these fronts is sporadic and occasionally very heavy, while winter rainfall is commonly more widespread. Average rainfall for the area is approximately 200–300 mm. Vegetation within the region includes low-lying mulga scrub and areas of open eucalypt woodlands

2.2.3 Aboriginal Heritage, Native Title, and Environment

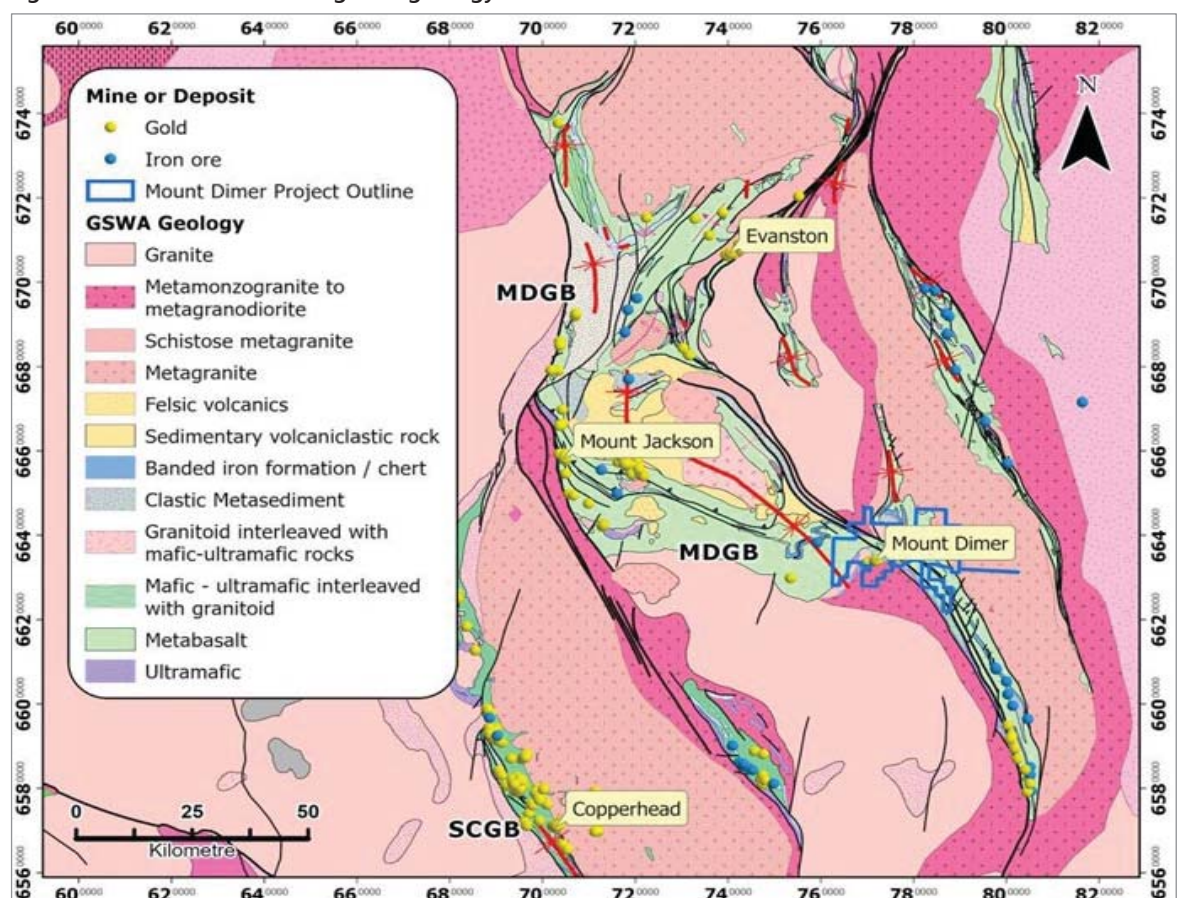
Burnt Shirt is not qualified to comment on matters relating to Aboriginal Heritage, Native Title, and Environment other than in a general manner and relies on public statements made by Aurumin and others in relation to the validity of licences and agreements.

2.2.4 Regional Geology

Mount Dimer is in the southern area of the MDGB within the SCD of the Yilgarn Craton (Figure 2.2).

The SCD consists of multiple greenstone belts that are bounded by granites. The MDGB is found in the central area of the SCD and occurs as a sigmoidal shape over a strike length of approximately 200 km (Figure 2.2). Within the SCD, significant gold deposits occur, particularly in the SCGB to the southwest.

Figure 2.2 Mount Dimer regional geology



Source: Aurumin Prospectus, 1 October 2020

2.2.5 Mineralisation

Gold mineralisation at Mount Dimer is orogenic and occurs primarily as Archean quartz lode structures with associated lateritic and supergene mineralisation developed in the regolith. The latter two styles of mineralisation have been exploited historically by open pit mining, while sulphide-bearing quartz lodes have been mined from underground workings.

Mineralisation at Mount Dimer has been defined within multiple north trending (340°) structures, developed post D3. These structures transect both granitic and mafic-ultramafic rocks found within the broad contact zone between greenstone rocks of the lower succession and a granitoid intrusion in the south. Most of the historical mining has occurred across three parallel structures, spaced 100 m apart, termed the “LO deposits” which were mined over a strike length of 200 m. These deposits, along with the Golden Slipper and Frodo deposits, occur to the south of the ultramafic unit, while the Karli West deposit is the only deposit mined to date at Mount Dimer that is located to the north of the ultramafic unit.

Deposits at Mount Dimer have been identified as being high-grade quartz lodes within sulphide-bearing shears trending 340°. Pit mapping has identified discrete crosscutting 310° structures and where they intersect 340° trending structures, high-grade northeast-plunging mineralised shoots. These mineralised shoots have variable strike lengths between 20 m and 60 m. The 310° crosscutting structures are identified as centimetre-scale zones of biotite schist. There are multiple subparallel minor quartz veins found in both the footwall and hangingwall of the main lodes at the LO deposits, with some of them being mined over short distances in the underground workings.

The mineralogy of these lodes is commonly quartz and pyrite with associated argentiferous galena, sphalerite, and minor chalcopyrite and bornite in the high-grade zones of the lodes. Alteration between the lodes within the shear zone is identified as being strongly sericite-carbonate alteration and to a lesser extent chlorite-biotite (Sullivan, 2009).

2.2.6 Previous Exploration

Burnt Shirt cautions that the following information is drawn from Sahara’s publicly available report. While Burnt Shirt is satisfied the exploration results described were conducted in accordance with then-current standards, the reporting of these results at the time may not fulfil the requirements of the JORC Code (2012). The Competent Person considers these results to be indicative of but not an absolute measure of the presence of mineralisation

- During the mid-1960s, mafic-ultramafic rocks of the wider project area were explored for nickel sulphide by WMC. All exploration for nickel sulphide and base metals was unsuccessful. During the 1970s, Broken Hill Proprietary Company Limited (BHP) explored the BIFs at Bungalbin Hill for iron ore.
- Between 1984 and 1985, BP Minerals (BP) created a 1:100,000 regolith map of the Mount Dimer and Bungalbin areas from aerial photography. They completed limited field reconnaissance exploration, including rock chip sampling, with underwhelming results returned so they surrendered the tenements (Continental Resource Management, 1997). Systematic exploration for gold at Mount Dimer was first recorded as being carried out by WMC and Placer Exploration Ltd (PEL) commencing in the 1980s with subsequent companies completing exploration to various levels.
- PEL explored between 1985 and 1991 predominantly covering the ground north of the granite contact, including what were to become the Woodcutter prospects. Exploration completed by PEL included surface geochemical sampling (stream, soil, rock chip), airborne magnetic-radiometric survey, aerial photography, and geological interpretation. PEL followed up with RAB drilling across selected targets, which included lines drilled at Woodcutters and Karlizi. PEL identified the Taipan prospect to the southeast of Woodcutters and focused exploration here that resulted in the Taipan deposit being mined in the mid-1990s by Taipan Resources NL.
- Between 1987 and 1993, WMC explored the area having initially completed a 400 m x 100 m regional soil sampling program that identified a broad gold soil anomaly (Karli East) measuring

800 m x 3.5 km striking east-west, as well as multiple smaller anomalies (e.g. Karli West). Follow-up infill soil sampling was completed and defined several prospects within Karli East for drill testing. WMC completed rotary air blast (RAB) and reverse circulation (RC) drill programs across the most prospective targets and was able to define a laterite resource and multiple mineralised quartz lodes (LO deposits). During this period, WMC mined approximately 100,000 tonnes at 1.5 g/t Au lateritic ore and processed this through a small VAT leaching operation.

- In 1992, Burmine Ltd was granted tenements adjacent to the Mount Dimer mining centre in what they called the Mount Dimer West Project. Burmine engaged Geochemex Australia to complete a reconnaissance surface sampling and regolith mapping program where they located several gold and multi-element anomalies. Aeromagnetic data interpretations were completed to aid in target generation followed by broad spaced RAB drilling, where subtle gold anomalism was returned.
- In early 1996, Sons of Gwalia Ltd (SOG) took over Burmine. SOG completed soil sampling and auger programs, including infill programs over previously identified prospects, and extensive RAB/aircore (AC) drilling across several prospects including Woodcutters, Borefields, Karli Northwest, Karlizi, and Kaolin Hill. Promising results were received at Woodcutters, Kaolin Hill, and Karlizi with follow-up deeper RC drilling planned but it appears was not completed.
- Glengold Holdings Pty Ltd (Glengold) acquired the leases from WMC in 1993. Glengold carried out data compilation and assessment of the acquired WMC data. Using this data as a base point, resource drilling utilising RC and diamond drilling methods was completed over the LO lodes. Glengold defined resources consisting of Measured, Indicated and Inferred categories. Additional RAB drilling was completed as part of a sterilisation program and a mine plan was formalised. Open pit mining commenced in December 1993, with processing following in February 1994.
- Tectonic acquired the project in mid-1994 from Glengold as part of a vend transaction, where Glengold became a major shareholder of Tectonic. Glengold had previously developed the open pits at LO 1, 2 and 3 and had commenced the decline. Tectonic continued to mine the project until mid-1997 when the plant was decommissioned, and the project was put on care and maintenance. At this point in time, mining operations included a total of six open pits, three laterite pits, and underground workings below the LO pits with deposit grades ranging between 2 g/t Au and 11.32 g/t Au.
- Prior to the closure of mining, Tectonic carried out extensive exploration including surface geochemical sampling programs and follow-up RAB drilling and RC drill programs. From this work, Tectonic was able to identify the Golden Slipper and Frodo deposits which were mined by open pit. Post closure of mining operations, Tectonic engaged independent geological consultants Geologists Australia to carry out a review of the project and direct exploration drilling programs with a view to re-establishing a mining operation. Additional exploration included geophysical interpretation of the project area by Southern Geoscience Consultants in 1998, surface geochemical sampling programs and some RC drilling within the Mount Dimer Mining Centre.
- Maher Mining (Maher) acquired the project in 2001 from Tectonic and commenced a small underground high-grade mining operation below the Frodo open pit. A geological consultant was engaged to carry out a data review and from this work identified multiple targets, some of which Maher reported (non-JORC 2012 compliant) resources for. Exploration completed by Maher included RC drill programs targeting extensions to known mineralisation (e.g. Frodo and Golden Slipper) to support mining. Maher completed a small RC program at Woodcutters, where narrow, high-grade results were returned over a small strike.

- In 2011, Maher transferred the project tenements to Golden Iron Resources Ltd (GIR), a subsidiary of Vector Resources Ltd (Vector). Exploration completed by GIR included a 100 m line-spaced airborne magnetic-radiometric survey flown across the project by Fugro in early 2010. A litho-stratigraphic interpretation was completed by Southern Geoscience Consultants where they identified 20 new possible targets corresponding to structural trends and magnetic low anomalism. Vector completed a 40 m x 100 m auger program over the Mount Dimer Mining Centre and the Woodcutters prospect to the north. Gold and polymetallic anomalism was identified, with targets selected for follow-up drill testing. Not all targets appear to have been drilled. Vector completed multiple RC drill programs focusing on strike extensions of known prospects like Lightning and Golden Slipper. The exploration direction of Vector changed, with focus given to other projects within Vector's exploration portfolio.
- Exploration completed by Aurumin since acquiring the project in 2020 includes data compilation and review and establishing survey control within the Mining Centre.

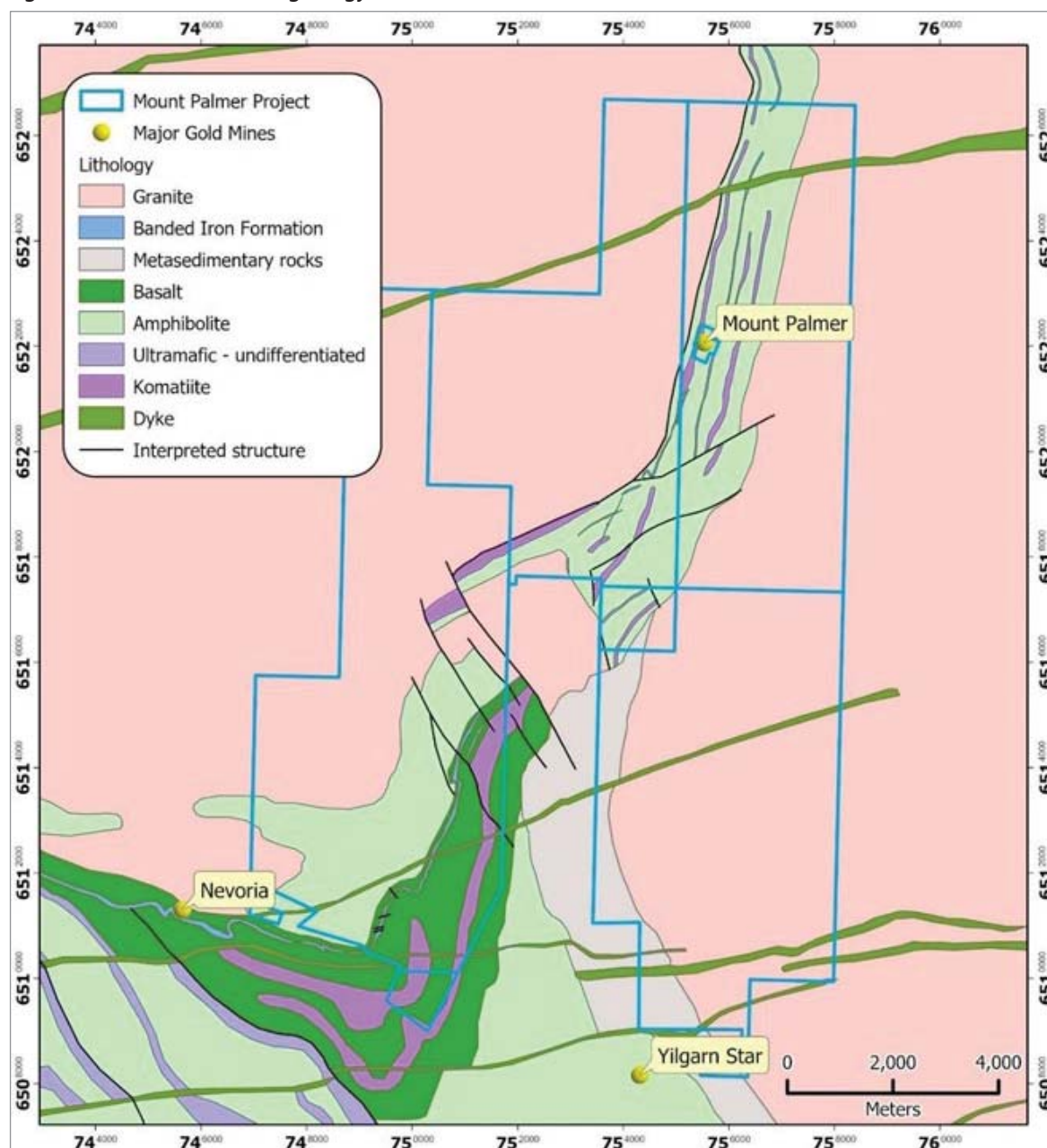
2.3 Mount Palmer and Yilgarn Star

The Mount Palmer and Yilgarn Star projects are geologically and proximally related.

2.3.1 Geological Concept

Mount Palmer is in the Shire of Yilgarn of Western Australia and consists of one mining, five exploration and one prospecting tenement. The project occurs within a prolific gold mining district, which has historically produced high-grade deposits. Mount Palmer, Yilgarn Star and Nevoria Gold Mines have been mined by open pit and underground methods (Figure 2.3)

Figure 2.3 Mount Palmer geology



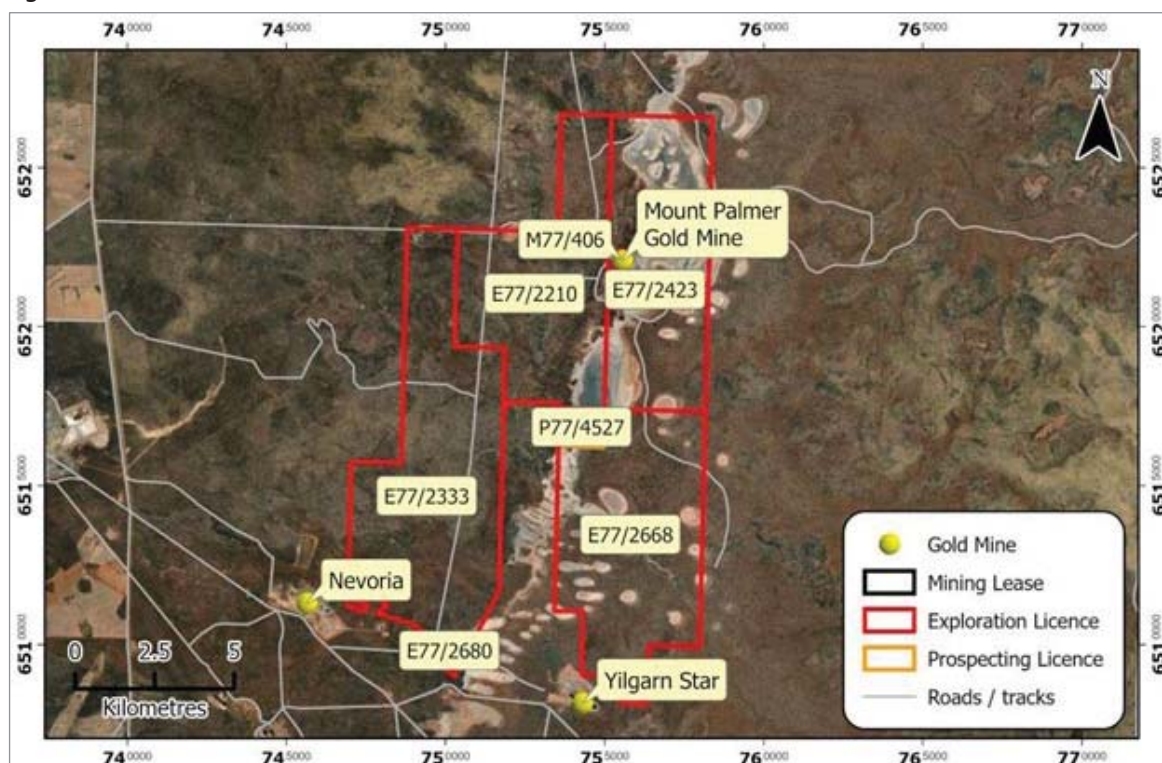
Source: Aurumin Prospectus, 1 October 2020

2.3.2 Location and Access

Mount Palmer is located around 15 km east of Marvel Loch townsite in the Shire of Yilgarn, Western Australia (Figure 1.1). The project can be accessed from Perth by the Great Eastern Highway to Southern Cross (370 km) and then by local roads via Marvel Loch (29 km). Within the project, access is via an all-weather gravel road and secondary tracks. Movement within Mount Palmer can become restricted during heavy periods of rain. Mount Palmer occurs within the Southern Cross (SH50-16) 1:250,000 and the Yellowdine (2835) and Cheritons Find (2834) 1:100,000 map sheets.

Mount Palmer consists of one mining, five exploration and one prospecting licences (Figure 2.4). Aurumin through its subsidiary Aurumin Mt Palmer Pty Ltd (Aurumin MP) owns 100% of all the Mount Palmer Gold Project tenements.

Figure 2.4 Mount Palmer tenure



Source: Aurumin Prospectus, 1 October 2020

2.3.3 Aboriginal Heritage, Native Title, and Environment

Burnt Shirt is not qualified to comment on matters relating to Aboriginal Heritage, Native Title, and Environment other than in a general manner and relies on public statements made by Aurumin and others in relation to the validity of licences and agreements.

2.3.4 Regional Geology

Mount Palmer is in the central area of the SCGB. The SCGB is a north-northwest trending greenstone belt that extends discontinuously for approximately 200 km, from north of Bullfinch to 40 km south of Marvel Loch in Western Australia. The SCGB is a strongly deformed, metamorphosed synformal remnant of a once larger greenstone assemblage. It has been shaped and attenuated by the emplacement of syn- tectonic granitoids. These granitoid domes include the Ghooli, Parker, and Rankin domes.

The SCGB broadly consists of a lower volcanic succession, 5 km thick, overlain by at least 2 km of clastic sediments. The lower part of the volcanic succession consists of tholeiitic and komatiitic basalt, and the upper part is dominated by komatiites and other ultramafic rocks. Several thin units of BIF are interbedded with the volcanic rocks, and minor amounts of gabbro have intruded the sequence. The basal part of the sedimentary package is represented by black mudstone ("black shale"), which is overlain by a mixed succession of psammitic and pelitic units, and minor quartzite and conglomerate. The SCGB generally has a steep west-southwest regional dip.

The margins of the greenstone belt are defined by occurrences of gneissic and granitoid igneous rocks, Ghooli and Parker domes. Contacts between greenstone and granitoid/gneissic provinces are invariably sheared, and this factor, together with generally poor exposure, obscures the original relationships between the two types of terrane. The metamorphic grade of the SCGB is generally amphibolite facies with the metamorphic grade decreasing away from the granite-greenstone contacts.

The SCGB is well endowed with gold with mineralisation occurring predominately as two styles; 1) shear-hosted deposits in which mineralised veins are folded conformably within the ductile fabric of the shear zone; and 2) deposits are brittle-vein deposits hosted by BIF, in which the veins cut and therefore postdate bedding, metamorphic banding and folding. Gold production from the SCGB is recorded to have exceeded 10 Moz with multiple >1 Moz deposits, e.g. Marvel Loch (3 Moz) and Yilgarn Star (>1.1 Moz).

2.3.5 Mineralisation

There are two main styles of identified gold mineralisation; the primary style being shear hosted (e.g. Marvel Loch and Yilgarn Star deposits), and the second style comprising mineralisation in BIFs (e.g. Copperhead and Nevoria deposits). Shear hosted gold mineralisation is located along lithological contacts within broad, ductile shear zones that are commonly wider than the mineralisation footprint.

These deposits are generally associated within lenticular quartz reefs, quartz veining, and stringers within BIF/ultramafic contacts. They also occur in quartz-filled fractures and shears within mafic lithologies, which are ubiquitous throughout the SCGB. Most of the major deposits are located within a shear zone adjacent to a granite-greenstone contact. At the Copperhead Mine, the BIF-hosted gold mineralisation occurs within veins formed from brittle deformation within tightly folded BIF units. The gold occurs within iron sulphides that have replaced magnetite within the BIF.

The dominant sulphide minerals associated with gold in the district are pyrite and pyrrhotite with minor arsenopyrite and chalcopyrite. Galena has also been observed sporadically within mineralisation. Gold occurs as free grains and as inclusions in pyrite and arsenopyrite. Alteration in the wall rock consists of variable amounts of biotite-carbonate-silica-diopside.

2.3.6 Previous Exploration

Burnt Shirt cautions that the following information is drawn from publicly available reports. While Burnt Shirt is satisfied the exploration results described were conducted in accordance with then-current standards, the reporting of these results at the time may not fulfil the requirements of the JORC Code (2012). The Competent Person considers these results to be indicative of but not an absolute measure of the presence of mineralisation:

- The historical workings at Mount Palmer are hosted within an amphibolite sequence which extends from the greenstone-granite contact located approximately 400 m to the west of the mine. An approximately 5 m wide BIF unit forms a prominent north-northeast trending ridge located 200 m east of the mine.
- The amphibolite is foliated and consists of aligned amphibole/actinolite with minor feldspar. Remnant vesicles and flattened pillow structures are evident in the outcrops which extend along the western edge of Lake Julia. Basalt is more common along the east side of the BIF ridge. Both the amphibolite and the basalts show varying amounts of biotite alteration. Pegmatite is common along the granite- greenstone contact and occurs throughout the area as dykes. Minor quartz veins occur throughout the project.

- The central project area collectively covers >10 km of the granite-greenstone contact. Cenozoic deposits cover most of the project area away from this contact in both directions.
- Most exploration in this area has focused immediately around the known old mines. In the 1940s, diamond drilling and prospecting was carried out by Yellowdine Gold Mine personnel principally within the mine leases. Before the mine ceased operations in the late 1940s, 36 surface diamond drillholes and 152 underground diamond drillholes were completed.
- Between this period and the 1970s, there appears to have been no gold exploration carried out within and in the immediate vicinity of the Yellowdine Gold Mine. During the 1970s, Broken Hill Metals NL (BHM) carried out costeaning, rock chip sampling, an induced polarisation (IP) geophysical survey, and shallow drilling as part of the nickel exploration program within 2–3 km of the old mine. During this time, Kennecott Exploration Australia Pty Ltd also explored for nickel in the Meier's Find area with work completed including geological mapping, aeromagnetic survey, and drilling. The drilling was not successful in identifying a suitable host rock for nickel sulphide and the tenements were surrendered.
- A renewed interest in gold was evidenced in the area by mining at Egan's Reef in the late 1970s, after it was initially mined in the 1930s by open cut and underground mining. In the early 1980s, Ivanhoe Mining obtained the leases and reported minor amounts of gold recovered from alluvium around the mine. The company was also actively engaged in prospecting and drilled five percussion holes to investigate the extension of known mineralisation zones. During the mid-1980s, Delta Gold NL explored the area where they completed literature review and data compilation, reconnaissance 1:10,000 scale geological mapping, photogeological interpretation, stream and rock chip sampling and an aeromagnetic survey. In the late 1980s, Julia Mines conducted surface sampling, mapping ground geophysical surveys and some shallow drilling at Vickers Find, Meier's Find and surrounding areas.
- BHM explored for gold on an area adjacent to and along the eastern boundary of the excluded Mount Palmer mining lease between 1987 and 1989. Work completed included a ground magnetic survey and a hand auger soil sampling program, which defined several contiguous soil anomalies within lake clays in the eastern half of E77/987. BHM also completed a series of RC drilling programs to test the extensions of the main lode of the Mount Palmer Gold Mine. There were no significant results from this drilling. Detailed structural mapping, stockpile sampling, and follow-up soil sampling were also undertaken.
- Reynolds Yilgarn Gold Operations (RYGO) explored the area between 1991 and 1994 completing soil and hand auger sampling, which identified zones of weak gold anomalism, detailed geological mapping of the Mount Palmer Gold Mine area, regional mapping that extended through E77/987, and soil sampling along the western contact zone. RC and diamond drilling were completed around the Mount Palmer Gold Mine with mixed results, between background and 3 m at 5.68 g/t Au (from 27 m) from RC drilling beneath the main lode. No significant intercepts were reported from the diamond drilling. RYGO drilled a fence of RAB/AC holes over a magnetic anomaly 1.5 km to the southeast of Mount Palmer Gold. Drilling intersected coarse gold (repeat samples ranging from 0.56 g/t to 15.50 g/t Au) in the base of alluvials on the contact with granite bedrock with hole EYX5 returning a result of 3 m at 2.97 g/t Au at the bottom of an 89 m vertical hole.
- 1993, RYGO entered into a joint venture agreement with BHM to explore the Mount Palmer Mine and carried out geological mapping, soil sampling (25 samples), RAB and RC drilling (three holes) plus diamond drilling (four holes) below the main workings. Logging of biotite, carbonate and minor sulphide alteration with associated small quartz veins from the diamond holes indicates the lode-bearing structure was intercepted in three of the holes, while one hole

intercepted a pegmatite intrusive that may have stopped out the depth extensions of the Mount Palmer mineralisation. Anomalous gold was returned with a good result from the diamond drilling in hole MPD035 of 1 m at 0.42 g/t Au from 195 m.

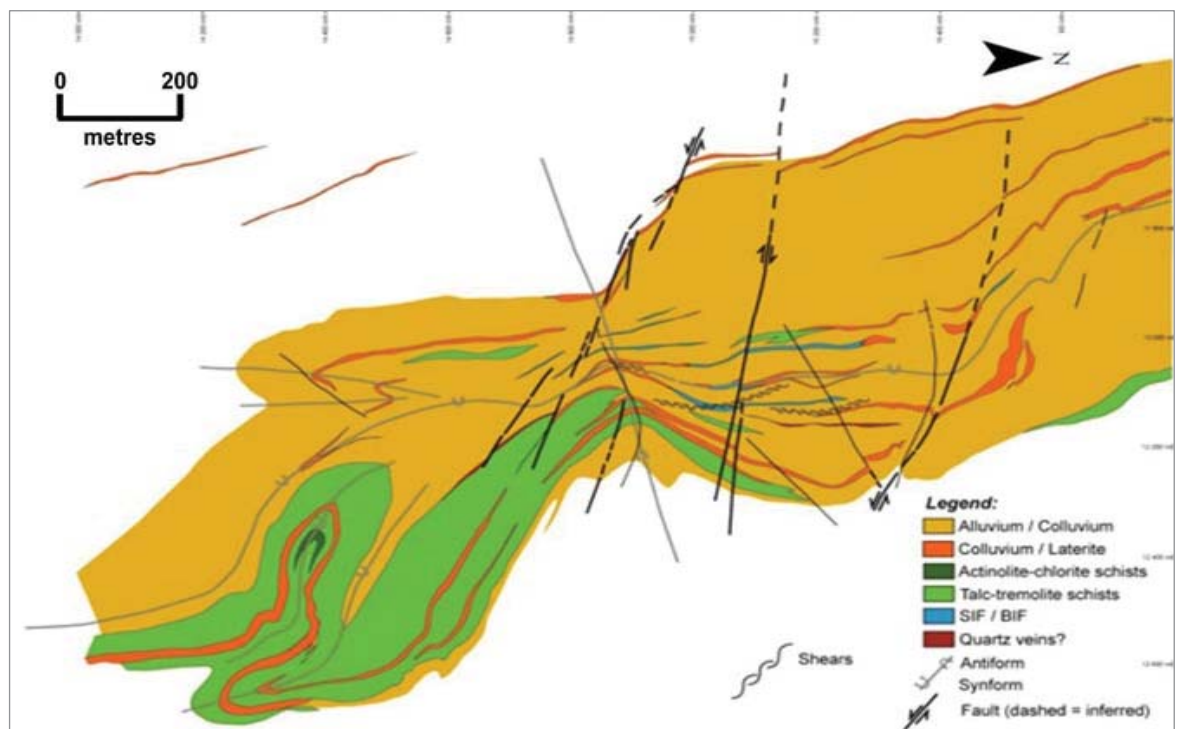
- In the early 1990s, Centenary International Mining explored the area for gold and nickel with exploration carried out including data compilation, gridding, and surface sampling (BLEG and rock chip), ground magnetics and AC and RAB drilling programs. Elevated gold was returned from a strongly sheared mafic while elevated nickel was returned within ultramafic.
- In 1995, SOG acquired RYGO and carried out surface sampling and a RAB drilling program within the area. The program consisted of 14 holes (MPR001 to MPR014). The drilling failed to intersect any significant gold mineralisation. However, one drillhole (MPR001) returned a weakly anomalous intersection of 18 m at 0.20 g/t Au, from a depth of 32 m to end of hole. Three RC holes were drilled (MPRC075 to MPRC077) at the prospect testing the BIF contact; with results between background and 4 m at 0.63 g/t Au in MPRC076.
- From 2007 to 2010, Augustus Minerals Ltd (Augustus) explored the area for gold and iron ore. Exploration completed by Augustus consisted of data compilation of public domain geological and geophysical data, acquisition of aerial photography digital imagery, and an open file data review. Following on from the review, field exploration consisted of geochemical sampling and RC drilling. Highlights from the geochemical sampling included rock chip samples between background and 4.75 g/t Au from historical workings and elevated LAG results along strike from Mount Palmer. Low grade iron ore was also returned from rock chip samples. The drilling confirmed the presence of a weak to moderately mineralised zone to the immediate north of the historical Mount Palmer workings. The southern two drill lines returned anomalous gold values.
- Cazador Resources Pty Ltd acquired ground from Augustus in 2011 and completed a ground magnetic survey over an area including Mount Palmer. The high-resolution survey identified areas with prospective structural features, including an area within the lake to east of the mine. Cazador Resources Pty Ltd also completed a small AC program over a paleochannel target immediately to the east of the lake with results between background and 5 m at 0.14 g/t Au from 65 m.
- GIR and former parent company, Vector, have carried out exploration in the broader Mount Palmer area since 2011 with work consisting of literature reviews, data compilation, geophysical interpretation, geophysical field work and investigations, data analysis of field work and refining of drillhole priorities. GIR became sole explorers at the Mount Palmer Project in 2016 and had completed reconnaissance and site visits, data compilation, and data review by geological consultants.

2.4 Johnson Range

2.4.1 Geological Concept

Johnson Range is in the northern area of the MDGB within the SCD of the Yilgarn Craton. The SCD consists of multiple greenstone belts that are bounded by granites. The MDGB is found in the central area of the SCD and occurs as a sigmoidal shape over a strike length of approximately 200 km (Figure 2.5). Within the SCD, significant gold deposits occur, particularly in the SCGB to the southwest (e.g. Copperhead Mine).

Figure 2.5 Johnson Range geology

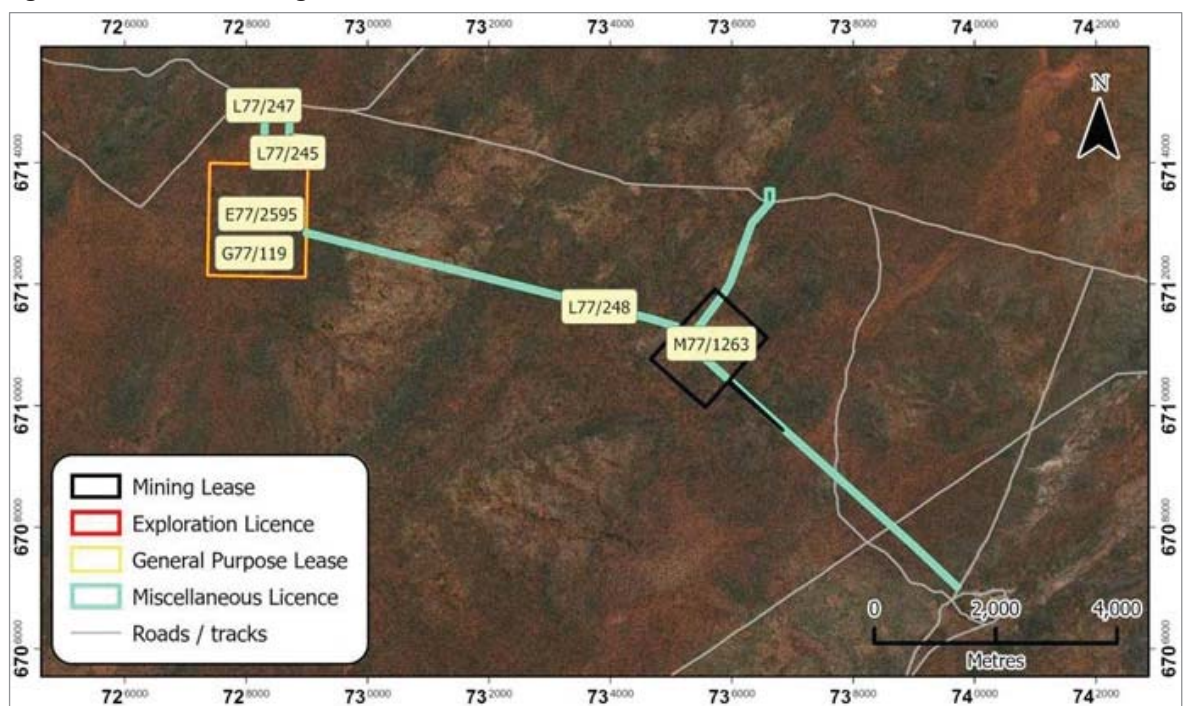


Source: Aurumin Prospectus, 1 October 2020

2.4.2 Location and Access

Johnson Range consists of one Mining Lease (M77/1263), one Exploration Licence, one General Purpose Licence, and three Miscellaneous Licences (Figure 2.6).

Figure 2.6 Johnson Range tenements



Source: Aurumin Prospectus, 1 October 2020

Johnson Range is located approximately 170 km north of the Southern Cross townsite in the Shire of Yilgarn, Western Australia. The project can be accessed from Perth by the Great Eastern Highway to Southern Cross (370 km) then north via the Bullfinch-Evanston Road before using the Lake Barlee-Youanmi Road (also referred to as Menzies-Diemals Road) followed by a track along a fence line running south from the Lake Barlee-Youanmi Road. Within the project, access is via a gravel roads and tracks. Movement can become restricted during heavy periods of rain. Johnson Range occurs within the Barlee (SH50-8) 1:250,000 and the Johnston Range (2738) 1:100,000 map sheets.

2.4.3 Aboriginal Heritage, Native Title, and Environment

Burnt Shirt is not qualified to comment on matters relating to Aboriginal Heritage, Native Title, and Environment other than in a general manner and relies on public statements made by Aurumin and others in relation to the validity of licences and agreements.

2.4.4 Regional Geology

There are two identified Archaean greenstone sequences: the lower (3 Ga) succession consisting of mafic volcanic rocks and BIF, and an upper (c. 2.73 Ga) succession consisting of felsic to intermediate volcanic rocks. The lower succession has three lithostratigraphic associations; the lower association that is predominantly tholeiitic basalt with subordinate ultramafic and high-Mg basalt, the middle association that consists of BIF and chert with quartzite to a lesser extent, and the upper association that consists predominantly of basalt with lesser horizons of siltstone, shale, and mafic tuff.

The upper succession, consisting of the Marda Complex and Diemals Formation, lies unconformably above the lower succession. The Marda Complex consists of conglomerate, sandstone, and siltstone units, and is conformably overlain by rhyolite and andesite. The Diemals Formation consists of clastic sedimentary rocks found predominantly in the north within the Johnson Range map sheet.

Granitoid rocks occur predominantly as monzogranite between the greenstone belts, however, there are some internal granites within the MDGB (e.g. the Butcher Bird Monzogranite), which is located approximately 30 km to the northwest of the Mount Dimer mine site. Majority of the granitoid rocks are younger than the greenstones, although the Butcher Bird Monzogranite is coeval with the formation of the Marda Complex.

Metamorphic grade within the region consists of greenschist facies, representing earlier widespread low-grade metamorphism, and amphibolite facies that is related to later stage felsic magmatism, i.e. occurring proximal to granitoid contacts.

2.4.5 Mineralisation

Gold mineralisation has been identified at numerous sites within the Johnson Range. The highest recorded production came from the Evanston district where Aurumin's Johnson Range is located. Three styles of mineralisation have been identified at Johnson Range; lateritic, supergene and hydrothermal mineralisation (quartz veining and breccia) within primary rock.

Laterite mineralisation is limited to approximately the top 5 m of the regolith and consists of ferruginous (goethite and hematite) pisolites with associated gold mineralisation formed through weathering processes. The initial mineralisation mined by SOG in the 1980s estimated the grade of the laterite to be between 1.5 g/t and 2 g/t Au.

Supergene mineralisation occurs within the developed regolith. High grade has been intercepted as high up as the mottled zone. Supergene enrichment forms within the oxide zone through circulating waters mobilising the gold and depleting the upper levels to enrich lower levels of the regolith. Gold grades within the supergene generally range between 2 g/t and 5 g/t Au, as reflected in the initial oxide zone mined by SOG in the 1980s.

Primary gold mineralisation occurs within quartz veins and breccias formed from the introduction of hydrothermal fluids. This style of mineralisation is controlled by structure and lithology. Structure acts firstly as conduits for the introduction of mineralised fluids and secondly as a trap site (e.g. gold mineralised shear zones oblique to the reverse faults). Lithology influences the position of gold mineralisation based on lithological contrast.

The gold mineralisation at Johnson Range is usually found within or in the vicinity of quartz-carbonate veins along the contact of folded BIFs and mafic rocks (Huart, 2014). Common alteration products include high secondary silica, hematite-goethite (or limonite), pyrite (or pseudomorphs of pyrite), carbonates (ankerite), sericite, and fuchsite. There is also an association of arsenic with gold mineralisation.

Previous mining at Johnson Range focused on the laterite and supergene mineralisation to a vertical depth of approximately 30 m from multiple open pits. Gold has been mined at Johnson Range by three different operators commencing in the 1980s, with the latest being a bulk sample mined in 2014.

2.4.6 Previous Exploration

Burnt Shirt cautions that the following information is drawn from publicly available reports. While Burnt Shirt is satisfied the exploration results described were conducted in accordance with then-current standards, the reporting of these results at the time may not fulfil the requirements of the JORC Code (2012). The Competent Person considers these results to be indicative of but not an absolute measure of the presence of mineralisation:

- The region was explored by prospectors for gold following the discovery of gold in 1894 at Mount Jackson, located approximately 60 km to the south of the Johnson Range. The Evanston mine, located 6km to the southeast of Johnson Range, was discovered by a prospector in the 1930s and mined producing 39,260 ounces grading 18.5 g/t Au.
- In the mid-1960s to the early 1970s, prior to focused gold exploration, the mafic-ultramafic rocks of the broader project area were explored for nickel sulphide and base metals by WMC and Kennecott Exploration. Exploration included surface geochemical sampling programs, reconnaissance drilling and ground geophysical surveys. Exploration for nickel sulphide and base metals was unsuccessful and the tenements were surrendered.
- Exploration for gold in the area increased in the early 1980s with Goldfields Exploration PL completing gridding, soil sampling, mapping, a ground magnetic survey, and reconnaissance drilling programs with limited success. In the mid-1980s, St Joe Australia Pty and Bornite Pty Ltd completed detailed exploration in the broader project area which included rock chip and soil sampling, ground magnetic surveys, aeromagnetic and aerial photographic surveys, and reconnaissance RAB drilling with follow-up RC drilling of gold anomalies identified from the RAB drilling.

2.5 Karramindie

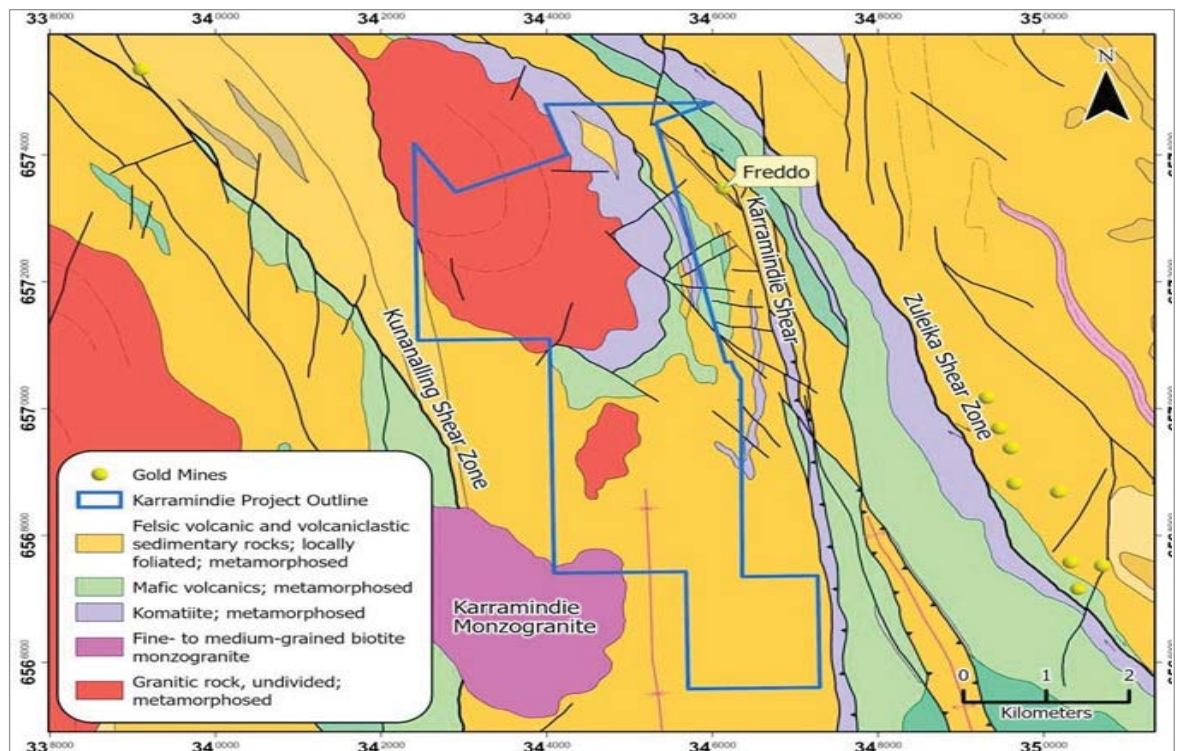
2.5.1 Geological Concept

Karramindie predominantly consists of tertiary cover (aeolian sand, colluvium, and gravel) between 0 m and 2 m thick with minor calcrete occurring within the project. Below the cover, paleochannel mottled pisolitic clays and puggy clays, between 0 m and 15 m in thickness, overlie bedrock. Bedrock within Karramindie consists of a sequence of interlayered talc-carbonate ultramafic schists to talc-ankerite altered komatiites, high-Mg basalt, felsic volcanoclastic rocks, metasediments (shale and chert) intruded by small granitic bodies. The granitic intrusions grade from strongly biotite altered quartz- feldspar porphyries to more granular biotite altered monzogranite.

Aurumin's project occurs between two shear zones: Karramindie in the east and Kunanalling in the west. The Karramindie Shear is north-northwest trending, wrapping around the Depot Granodiorite, and is an important structure in the deposition of gold mineralisation, e.g. Freddo deposit on the northeast boundary of Karramindie and Ghost Crab gold deposit 6 km to the south of Karramindie.

Proximal to the Karramindie Project is the Freddo open pit gold mine, which was mined in the early 2000s, located along a splay fault from the Karramindie Shear. Mineralisation at Freddo occurs across oxide, transition, and fresh rock. Freddo is hosted in a fine-grained biotite-tremolite-calcite altered sediment of the Black Flag Group that grades into a schist. Gold mineralisation is associated with secondary pyrite, pyrrhotite, and to a lesser extent arsenopyrite, within brecciated and silicified host rock. Mineralisation generally strikes 330° and dips 65–80° west. This style of mineralisation is considered the most likely to occur within the Karramindie Project.

Figure 2.7 Karramindie geology



Source: Aurumin Prospectus, 1 October 2020

2.5.2 Location and Access

Karramindie is located approximately 20 km to the east of the Coolgardie townsite in the Goldfields region of Western Australia (Figure 1.1). The project can be accessed from Perth by the Great Eastern Highway to Coolgardie (556 km) then southeast via the Coolgardie-Esperance Highway followed by an unsealed running to the east. Within the project, access is via historical drill and grid lines, and tracks. Movement within Karramindie can become restricted during heavy periods of rain. Karramindie occurs within the Kalgoorlie (SH50-9) and Boorabbin (SH51-13) 1:250,000 and the Kalgoorlie (3136) and Yilmia (3135) 1:100,000 map sheets.

2.5.3 Aboriginal Heritage, Native Title, and Environment

Burnt Shirt is not qualified to comment on matters relating to Aboriginal Heritage, Native Title, and Environment other than in a general manner and relies on public statements made by Aurumin and others in relation to the validity of licences and agreements.

2.5.4 Regional Geology

Karramindie lies within the Kalgoorlie Terrane, the westernmost terrane within the larger Eastern Goldfields Superterrane consisting of the Kalgoorlie, Kurnalpi, and Burtville terranes. The evolution of the Eastern Goldfields Superterrane has been extensively studied. Multiple evolution models have been proposed including plume, plate, and a combination of plume and plate tectonic settings. Eastern Goldfields Superterrane consists of a series of northwest-trending elongated greenstone sequences separated into tectono-stratigraphic terranes including the Kalgoorlie Terrane.

The terranes are divided by a series of interconnected regional north-northwest trending faults and defined based on their volcanic facies, geochemistry, and age of volcanism that ranges from 2.81 Ga to 2.66 Ga. Further subdivision within each terrane into domains occurs based on differing stratigraphic-lithological fault bounded units. The Karramindie Project is located within the Depot Domain, which is bounded by the Kunanalling and Zuleika shears.

Within each terrane, widespread granitic magmatism has resulted in emplacement of granitoid bodies of varying sizes. The expressions of the structures and intrusions are generally poorly exposed, and their definition is largely interpreted from magnetic imagery. Overall, the general geological trend of the Eastern Goldfields Superterrane is north-northwest.

Metamorphism within the Kalgoorlie Terrane ranges from greenschist to upper amphibolite facies. Metamorphic grade increases locally because of intrusions and deformation.

Significant gold and nickel mineralisation occur within the Kalgoorlie Terrane. It is considered a world class jurisdiction for orogenic gold (e.g. Golden Mile) and komatiite-hosted massive nickel sulphide found at Kambalda.

2.5.5 Mineralisation

Gold mineralisation at Kalgoorlie is orogenic and hosted within multiple lithologies including mafic-ultramafic and felsic volcanic rocks, dolerite, and sedimentary rocks. Orogenic gold mineralisation forms through the transfer of mineralised fluids to locations known as trap sites where gold is deposited.

These trap sites may be areas of structural complexity or areas where chemical interaction with surrounding country rock results in the precipitation of gold mineralisation, i.e. reduced sediments or iron-rich mafic volcanics. Orogenic gold mineralisation can be subdivided into proximal intrusion-related and distal source deposits.

Proximal to Karramindie is the Freddo open pit gold mine, which was mined in the early 2000s, located along a splay fault from the Karramindie Shear. Mineralisation at Freddo occurs across oxide, transition, and fresh rock. Freddo is hosted in a fine-grained biotite-tremolite-calcite altered sediment of the Black Flag Group that grades into a schist. Gold mineralisation is associated with secondary pyrite, pyrrhotite, and to a lesser extent arsenopyrite, within brecciated and silicified host rock. Mineralisation generally strikes 330° and dips 65–80° west. This style of mineralisation is considered the most likely to occur within Karramindie.

2.5.6 Previous Exploration

Burnt Shirt cautions that the following information is drawn from publicly available reports. While Burnt Shirt is satisfied the exploration results described were conducted in accordance with then-current standards, the reporting of these results at the time may not fulfil the requirements of the JORC Code (2012). The Competent Person considers these results to be indicative of but not an absolute measure of the presence of mineralisation:

- Prospecting within the Kalgoorlie area has been extensive following on from the initial discovery of gold by Paddy Hannan in 1893, intensified during gold rush periods, and in more recent times when the gold price has been high. The tenement has generally been explored as part of a larger tenement package for gold and nickel mineralisation.
- Initial exploration over the area was completed by the Geological Survey of Western Australia (GSWA) commencing in the 1950s with aeromagnetic and gravity surveys, and geological mapping completed and subsequently published in the 1960s.
- In the late 1960s to early 1970s, the project area was explored by International Nickel Australia Ltd, Conwest Australia NL, and Carpentaria Exploration Company Pty Ltd for nickel mineralisation. Exploration carried out included geological mapping, surface geochemical sampling, ground magnetic surveys and drilling. Exploration was unsuccessful in identifying nickel sulphide mineralisation.
- In the period from the mid-1970s to the mid-1980s, the project area appears to have had little to no exploration. Between 1985 and 1988, CRA Exploration Pty Ltd explored the area for gold with exploration consisting of geological mapping, soil and rock chip sampling programs, aeromagnetic and radiometric surveys and interpretation, ground magnetic surveys, petrology studies, and RAB drilling programs. Weakly anomalous gold results were returned from RAB drilling.
- In the 1990s, Karramindie was explored by Newcrest Mining Ltd (Newcrest) as the operator of a joint venture with Connaught Mining NL targeting gold mineralisation. Prior to the joint venture being established, Connaught Mining NL carried out soil sampling programs where low order gold, copper, arsenic and nickel geochemical anomalism was identified. Newcrest explored the broader area completing aeromagnetic surveys, soil sampling, and reconnaissance drilling. In the northern area of the project, Newcrest intercepted anomalous gold (>1 g/t Au) in oxidised basement rock.
- During 1995 and 1996, Resolute Samantha Ltd completed soil sampling covering the western side of the project as part of a broader program targeting gold. Resolute Samantha Ltd identified low level (12 ppb Au) anomalism (Stevens, 1996). Delta Gold Ltd explored the broader area in the early 2000s, particularly the ground adjacent to the western boundary of

Karramindie Project, completing data compilation and review, soil sampling, and reprocessing and interpretation of aeromagnetic data. They held a prospecting licence within the current project area with limited exploration completed.

- Barrick Gold of Australia Ltd explored Karramindie between 2006 and 2008 with work consisting of data compilation for target generation. Barrick Gold of Australia Ltd designed a regional AC program but did not complete it.
- Between 2009 and 2013, Heron Resources Ltd carried out data compilation and review and reprocessed open file aeromagnetic data for target generation. Between 2009 and 2017, firstly Dioro Exploration Pty Ltd and then Metals X Ltd/Westgold Resources Ltd, following the takeover of Dioro Exploration Pty Ltd in 2010, held a tenement package encompassing part of the current Karramindie Project.
- Exploration completed during this period included data (integration and validation, auger soil sampling, shallow RAB/AC and one RC hole. This exploration identified low level gold anomalism in the northern area of the project.

No mining has been undertaken on the project.

3 VALUATION OPINION

3.1 Considerations

Mineral assets are defined in the VALMIN Code as *“all property including, but not limited to real property, mining and exploration tenements held or acquired in connection with the exploration, the development of and the production from those tenements together with all plant, equipment and infrastructure owned or acquired for the development, extraction and processing of minerals in connection with those tenements”*.

The VALMIN Code defines the Market Value of a mineral asset as *“the estimated amount of money (or the cash equivalent of some other consideration) for which the mineral asset should change hands on the Valuation Opinion date between a willing buyer and a willing seller in an arms-length transaction, wherein each party has acted knowledgeably, prudently and without compulsion”*.

The VALMIN Code describes the Market Value of a mineral asset as consisting of two components: the underlying, or Technical Value and the market component, which is a premium or discount relating to market, strategic or other considerations. Depending on circumstances at the time, the market component can be either positive, negative or zero. When the Technical and Market components of value are added together the resulting value is referred to as the Market Value.

The value of mineral assets is time and circumstance specific. The asset value and the market premium (or discount) changes, sometimes significantly, as overall market conditions and sentiment, commodity prices, exchange rates, political and country risk change. Other factors that can influence the Valuation Opinion of a specific asset include the size of the company's interest, whether it has sound management and the professional competence of the asset's management. All these issues can influence the market's perception of a mineral asset over and above its Technical Value.

3.2 Valuation Opinion Methods

The VALMIN Code refers to several Valuation Opinion methodologies in common use⁵ and refers to publications hosted by the OneMine Global Library⁶.

3.2.1 Mineral Assets with Mineral Resources and Ore Reserves

Where Mineral Resources and/or Ore Reserves have been defined, Burnt Shirt's approach is to excise them from the mineral property and to value them separately on a value per resource tonne/metal unit basis (market-based approach) or based on a discounted cash flow (DCF) and net present value (NPV) (income-based approach). The value of the exploration potential of the remainder of the property can then be assessed. Where appropriate, discounts are applied to the estimated contained metal to represent uncertainty in the information.

3.2.2 Mineral Assets in the Exploration Stage

When valuing an exploration or mining property, the Practitioner is attempting to arrive at a value that reflects the potential of the property to yield a mineable Ore Reserve and which is, at the same time, in line with what the property will be judged to be worth when assessed by the market. Arriving at the value estimate by way of a desktop study is difficult because there are no standard directives and no single industry-accepted approach.

⁵ VALMIN Code, Clause 8.2

⁶ www.onemine.org

The resulting judgement reflects the Practitioner's previous geological experience, local knowledge of the area, knowledge of the market and no two Practitioners are likely to have identical opinions on the merits of a particular property and therefore their assessments of value are likely to differ, sometimes markedly.

The most commonly employed methods of exploration asset Valuation Opinion are:

- Multiple of Exploration Expenditure method (exploration based) also known as the premium or discount on costs method or the appraised value method
- Joint Venture Terms method (expenditure based)
- Geoscience Rating methods such as the Kilburn method (potential based)
- Comparable Market Value method (real estate based).

Each of these methods has positive and negative aspects. Most Practitioners favour a single method of Valuation Opinion for which they are prepared to defend and at the same time present arguments for why other methods should be disregarded. It is easy to find fault with all methods, since there is a large element of subjectivity involved in arriving at a value of a tenement no matter which method is selected. The Practitioner must be cognisant of actual transactions taking place in the industry in general to ensure that the value estimates are realistic.

In Burnt Shirt's opinion, a Practitioner charged with the preparation of a tenement Valuation Opinion must consider a range of technical issues as well as make a judgement about the market. Key technical issues that need to be considered include:

- Geological setting of the property
- Results of exploration activities on the tenement
- Evidence of mineralisation on adjacent properties
- Proximity to existing production facilities of the property.

In addition to these technical issues, the Practitioner must take note of the market's demand for the type of property being valued, which depends upon professional judgement. Burnt Shirt's view is that an adjustment of the Technical Value of a mineral tenement should only be made if the Technical and Market Values are out of phase with each other.

Burnt Shirt's opinion is that the market in Australia may pay a premium over the Technical Value for high quality Mineral Assets that hold Mineral Resources that are likely to be mined profitably in the short term, or projects that are believed to have the potential to develop into mining operations in the short term even though no Mineral Resources have been defined.

Exploration tenements that have no defined attributes apart from interesting geology or a "good address" may trade at a discount to Technical Value. Deciding upon the level of discount or premium is entirely a matter of the Practitioner's professional judgement. This judgement must take account of the commodity potential of the tenement.

There are numerous factors that affect the value, such as proximity to an established processing facility and the size of the land holding.

Kilburn Geoscience Rating Method

The Kilburn Geoscience Rating method is based on the base acquisition cost (BAC) which is the average cost incurred to acquire a base unit area of tenement and to meet statutory commitments for a period of 12 months. Different Practitioners use differing approaches to calculate the BAC, which vary according to the mining tenement: exploration licence, prospecting licence, and mining lease.

The method systematically assesses and grades four key technical attributes of a tenement (off-property, on-property, anomaly, and geology) to arrive at a series of multiplier factors. The multipliers are then applied to the BAC of each tenement with the values being multiplied together to establish the overall technical value of each mineral property. The fifth factor, the market factor, is then multiplied by the Technical Value.

The successful application of this method depends on the selection of appropriate multipliers that reflect the tenement's prospectivity.

In Burnt Shirt's view, the acquisition and holding costs of a tenement for one year provides a reasonable and consistent BAC and presumes that when a tenement is initially pegged by an explorer, it has been judged to be worth at least the acquisition and holding cost.

Burnt Shirt's multipliers and the criteria for Kilburn rating selection are summarised in Appendix A.

Comparable Market Value

When there are known recent transactions concerning properties of a similar nature, then a Comparable Market Value approach is typically applied.

As no two mineral assets are the same, the Practitioner must be cognisant of the quality of the assets in the comparable transactions, with specific reference to:

- Nature of the mineralisation
- Proximity to infrastructure such as an existing mill, roads, power, water, skilled workforce, equipment, etc.
- Likely discovery costs
- Likelihood of economic viability
- Nature of the transactions.

3.2.3 Multiple Valuation Opinion Approaches

Burnt Shirt's view is that no single Valuation Opinion approach should be used in isolation, as each approach has its own strengths and weaknesses. Where practicable, Burnt Shirt undertakes its Valuation Opinions using a combination of Valuation Opinion techniques to help form its opinion.

Valuation Opinion by multiple approaches is obliged by the VALMIN Code⁷ unless there are salient reasons for not doing so.

3.3 Valuation Opinion Parameters

Burnt Shirt has formed its opinion on the value of Aurumin's assets using a combination of the exploration potential using the Modified Kilburn approach and the market-based approach as a supporting method, based on Aurumin's Enterprise Value as at the Valuation Opinion Date.

⁷ VALMIN Clause 8.3

3.4 Base Acquisition Cost

The BAC for a mineral exploration project usually considers both rent and expenditure commitments. In the absence of set minimum expenditures for other Australian states, Burnt Shirt has referred to the current Western Australian schedule of rates for mineral properties⁸ and has used this as a proxy for its BAC, representing the cost of application, administration and annual rent per block for the properties in question (Table 3.1).

Table 3.1 Burnt Shirt Aurumin BAC

Tenement type	Burnt Shirt abbreviation	BAC (A\$)	Unit of area
Mining Lease	ML	120.00	Ha
Exploration Licence	EL	1,141.00	blocks
Prospecting Licence	PL	42.75	Ha
General Purpose Licence	SPL	0.55	
Special Purpose Licence			
Applications		50% discount	

Burnt Shirt has adapted the Kilburn approach, using its own prospectivity multipliers, which have been developed from experience in the Australian context.

Burnt Shirt's practice is to discount applications by half to recognise the uncertainty related to grant.

3.5 Gold Price

Burnt Shirt observes that the A\$ gold price has recently been relatively stable (Figure 3.1).

In Burnt Shirt's observation, positive Australian gold production sentiment has not translated into premiums being paid for exploration and development projects, with capital being attracted to projects already in production. Consequently, Burnt Shirt considers that Aurumin's assets are being sold into a broadly neutral market for gold exploration projects.

⁸ <http://dmp.wa.gov.au/Minerals/Mining-acts-fees-and-charges-16494.aspx>.

Figure 3.1 One year A\$ gold price



Source: SNL

4 VALUATION OPINION RESULTS

In valuing the exploration potential, Burnt Shirt has considered the history of sporadic exploration at the exploration projects that has not resulted in the recent formal reporting of a significant deposit. Burnt Shirt has also considered the production history of Mount Dimer and Mount Palmer and the gold mineralisation discovered there. Burnt Shirt considers that there is potential for further mineralisation to be found, particularly through the application of Aurumin's mineralisation models.

Burnt Shirt's view is that General Purpose and Special Purpose Licences attract only a nominal value in the absence of an operating mine.

4.1 Exploration Potential

The value of the exploration potential for Aurumin's tenure has been determined using the Geoscientific method, as described in Section 3 (Table 4.1 to Table 4.16). On this basis, Burnt Shirt estimates the Technical Value of the exploration potential of the tenements to be within a range of **A\$8 million to A\$18 million**, with a Preferred Technical Value in the middle of this range of **A\$13 million**.

4.2 Market Value

Burnt Shirt observes that the enterprise value of Aurumin as at the Valuation Opinion Date was around A\$17 million and considers that this broadly supports Burnt Shirt's Technical Value and represents the Market Value Aurumin's Mineral Assets.

Table 4.1 Jaurdi EL Kilburn Technical Value

Jaurdi	Jaurdi ELs													
Lease	Area	BAC (A\$)	Share	Off property		On property		Anomaly		Geology		Lower	Upper	Preferred
EL16/0571	67 block	76,447	50%	1.5	2.0	1.0	1.5	1.0	1.5	0.2	0.3	11,000	52,000	32,000
EL77/2662	16 block	18,256	100%	1.0	1.5	1.0	1.5	1.0	1.5	1.5	2.0	27,000	123,000	75,000
EL77/2726	22 block	25,102	50%	1.0	1.5	1.0	1.5	1.0	1.5	1.5	2.0	19,000	85,000	52,000
EL77/2729	30 block	34,230	100%	1.0	1.5	1.0	1.5	1.0	1.5	0.2	0.3	7,000	35,000	21,000
EL77/2786	30 block	34,230	50%	2.5	3.0	1.5	2.0	1.0	1.5	1.5	2.0	96,000	308,000	202,000
EL77/2787	42 block	47,922	50%	2.0	2.5	2.0	2.5	1.0	1.5	1.0	1.5	96,000	337,000	217,000
EL77/2788	20 block	22,820	50%	1.5	2.0	1.0	1.5	1.0	1.5	1.5	2.0	26,000	103,000	65,000
EL77/2815	39 block	44,499	50%	2.0	2.5	2.0	2.5	1.0	1.5	1.0	1.5	89,000	313,000	201,000
EL77/2816	35 block	39,935	50%	1.0	1.5	1.0	1.5	1.0	1.5	0.6	0.7	12,000	47,000	30,000
												383,000	1,403,000	895,000

Table 4.2 Jaurdi PL Kilburn Technical Value

Jaurdi	Jaurdi PLs													
Lease	Area	BAC (A\$)	Share	Off property		On property		Anomaly		Geology		Lower	Upper	Preferred
PL77/4576	51 ha	2,180	50%	1.0	1.5	1.0	1.5	1.0	1.5	0.4	0.5	0	2,000	1,000
												0	2,000	1,000

Table 4.3 Jaurdi SPL Kilburn Technical Value

Jaurdi	Jaurdi SPLs											
Lease	Area	BAC (A\$)	Share	Off property	On property	Anomaly	Geology	Lower	Upper	Preferred		
SPL16/0135	161 ha	89	50%	1.0	1.5	1.0	1.5	1.0	1.5	0	0	0
SPL77/0328	16 ha	9	50%	1.0	1.5	1.0	1.5	1.0	1.5	0	0	0
SPL77/0329	22 ha	12	50%	1.0	1.5	1.0	1.5	1.0	1.5	0	0	0
SPL77/0330	30 ha	17	50%	1.0	1.5	1.0	1.5	1.0	1.5	0	0	0
												Nominal Value

Table 4.4 Jilbadgi EL Kilburn Technical Value

Jilbadgi Lease	Jilbadgi Exploration Licences									
	Area	BAC (A\$)	Share	Off property	On property	Anomaly	Geology	Lower	Upper	Preferred
EL77/2668	14 block	15,974	50%	2.5	1	1.5	0.9	1	18,000	36,000
EL77/2680	2 block	2,282	50%	1.5	1	1.5	1.5	2	3,000	7,000
EL77/2763	64 block	73,024	50%	1	1.5	1	0.2	0.3	7,000	22,000
EL77/2894	67 block	76,447	50%	1	1.5	1	0.2	0.3	8,000	24,000
EL77/2895	70 block	79,870	50%	1	1.5	1	0.2	0.3	8,000	24,000
EL77/2903	4 block	4,564	50%	1	1.5	1	0.2	0.3	0	1,000
									44,000	114,000

Table 4.5 Jilbadgi SPL Kilburn Technical Value

Jilbadgi Lease	Jilbadgi SPLs									
	Area	BAC (A\$)	Share	Off property	On property	Anomaly	Geology	Lower	Upper	Preferred
SPL77/0344	2 ha	1	50%	1	1.5	1	1	1.5	0	0
SPL77/0345	11 ha	6	50%	1	1.5	1	1	1.5	0	0
SPL77/0346	24 ha	13	50%	1	1.5	1	1	1.5	0	0
										Nominal Value

Table 4.6 Johnson Range ML Kilburn Technical Value

Johnson Range Lease	Johnson Range MLs									
	Area	BAC (A\$)	Share	Off property	On property	Anomaly	Geology	Lower	Upper	Preferred
ML77/1263	185 ha	22,200	100%	1	1.5	1	0.5	0.6	11,000	28,000
									11,000	28,000

Table 4.7 Johnson Range SPL Kilburn Technical Value

Johnson Range Lease	Johnson Range SPLs									
	Area	BAC (A\$)	Share	Off property	On property	Anomaly	Geology	Lower	Upper	Preferred
SPL77/0119	299 ha	164	100%	1	1.5	1	1	1.5	1,000	1,000
SPL77/0245	7 ha	4	100%	1	1.5	1	1	1.5	0	0
SPL77/0247	7 ha	4	100%	1	1.5	1	1	1.5	0	0
SPL77/0248	96 ha	53	100%	1	1.5	1	1	1.5	0	0
										Nominal Value

Table 4.8 Karramindie EL Kilburn Technical Value

Karramindie	Karramindie ELs												
Lease	Area	BAC (A\$)	Share	Off property		On property	Anomaly		Geology	Lower	Upper	Preferred	
EL15/1769	11 block	12,551	100%	1.5	2	1	1.5	1	0.8	0.9	15,000	51,000	33,000
											15,000	51,000	33,000

Table 4.9 Mount Dimer ML Kilburn Technical Value

Mount Dimer	Mount Dimer MLs												
Lease	Area	BAC (A\$)	Share	Off property	On property	Anomaly	Geology		Lower	Upper	Preferred		
ML77/0427	664.6 ha	79,752	100%	3	3.5	3.5	4	2	2.5	5,024,000	9,770,000	7,397,000	
ML77/0428	625 ha	75,000	100%	2.5	3	3	3.5	1.5	2	2,109,000	4,725,000	3,417,000	
ML77/0957	54.305 ha	6,517	100%	1	1.5	1	1.5	0.6	0.7	4,000	15,000	10,000	
ML77/0958	52.185 ha	6,262	100%	1	1.5	1	1.5	0.9	1	6,000	21,000	14,000	
ML77/0965	612.65 ha	73,518	100%	1.5	2	1	1.5	0.6	0.7	99,000	309,000	204,000	
										7,242,000	14,840,000	11,042,000	

Table 4.10 Mount Dimer EL Kilburn Technical Value

Mount Dimer	Mount Dimer ELs													
Lease	Area	BAC (A\$)	Share	Off property		On property	Anomaly	Geology		Lower	Upper	Preferred		
EL77/1992	3	block	3,423	100%	1.5	2	1	1.5	1	0.8	0.9	4,000	14,000	9,000
EL77/2518	8	block	9,128	100%	1	1.5	1	1.5	1	0.2	0.3	2,000	9,000	6,000
EL77/2560	1	block	1,141	100%	1	1.5	1	1.5	1	0.5	0.6	1,000	2,000	2,000
												7,000	25,000	17,000

Table 4.11 Mount Dimer SPL Kilburn Technical Value

Mount Dimer	Mount Dimer SPLs													
Lease	Area	BAC (A\$)	Share	Off property		On property		Anomaly		Geology		Lower	Upper	Preferred
SPL77/0083	3	ha	2	96%	1	1.5	1	1.5	1	1.5	1	1.5	0	0
SPL77/0135	62	ha	34	96%	1	1.5	1	1.5	1	1.5	1	1.5	0	0
SPL77/0147	8	ha	4	100%	1	1.5	1	1.5	1	1.5	1	1.5	0	0
												Nominal Value		

Table 4.12 Mount Palmer ML Kilburn Technical Value

Mount Palmer MLs										
Mount Palmer Lease	Area	BAC (A\$)	Share	Off property	On property	Anomaly	Geology	Lower	Upper	Preferred
ML77/0406	21,015 ha	2,522	100%	2.5	3	3.5	2	113,000	232,000	173,000
								113,000	232,000	173,000

Table 4.13 Mount Palmer EL Kilburn Technical Value

Mount Palmer ELs										
Mount Palmer Lease	Area	BAC (A\$)	Share	Off property	On property	Anomaly	Geology	Lower	Upper	Preferred
EL77/2210	10 block	11,410	100%	2.5	3	1	0.8	23,000	69,000	46,000
EL77/2333	15 block	17,115	100%	1.5	2	1	0.5	13,000	46,000	30,000
EL77/2423	10 block	11,410	100%	2.5	3	3	2	513,000	1,048,000	781,000
								549,000	1,163,000	857,000

Table 4.14 Mount Palmer PL Kilburn Technical Value

Mount Palmer PLs										
Mount Palmer Lease	Area	BAC (A\$)	Share	Off property	On property	Anomaly	Geology	Lower	Upper	Preferred
PL77/4527	171 Ha	7,310	100%	1	1.5	1	0.7	5,000	20,000	13,000
								5,000	20,000	13,000

Table 4.15 Ularring EL Kilburn Technical Value

Ularring ELs										
Ularring Lease	Area	BAC (A\$)	Share	Off property	On property	Anomaly	Geology	Lower	Upper	Preferred
EL77/2595	1 block	1,141	100%	1	1.5	1	1	1,000	6,000	4,000
								1,000	6,000	4,000

Table 4.16 Yilgarn Star EL Kilburn Technical Value

Yilgarn Star ELs										
Yilgarn Star Lease	Area	BAC (A\$)	Share	Off property	On property	Anomaly	Geology	Lower	Upper	Preferred
EL77/2702	5 block	5,705	50%	1	1.5	1	1	3,000	14,000	9,000
								3,000	14,000	9,000

5 ABBREVIATIONS AND UNITS

Abbreviation/unit	Definition
°	degrees
°C	degrees Celsius
A\$	Australian dollar(s)
AC	aircore
ASX	Australian Securities Exchange
Au	gold
Augustus	Augustus Minerals Ltd
Aurumin	Aurumin Limited
Aurumin MP	Aurumin Mt Palmer Pty Ltd
BAC	base acquisition cost
BHM	Broken Hill Metals NL
BHP	Broken Hill Proprietary Company Limited
BIF	banded iron formation
BLEG	bulk leach extractable gold
BP	BP Minerals
Burnt Shirt	Burnt Shirt Pty Ltd
DCF	discounted cash flow
DMIRS	Department of Mines, Industry Regulation and Safety
g/t	grams per tonne
GDA94	Geocentric Datum of Australia 1994
GIR	Golden Iron Resources Ltd
Glengold	Glengold Holdings Pty Ltd
GSWA	Geological Survey of Western Australia
IER	independent expert's report
IP	induced polarisation
km, km ²	kilometres, square kilometres
m	metre(s)
M	million(s)
Maher	Maher Mining
MDGB	Marda-Diemals Greenstone Belt
mm	millimetre(s)
Moz	million ounces
Newcrest	Newcrest Mining Ltd
NPV	net present value
PEL	Placer Exploration Ltd
ppb	parts per billion
RAB	rotary air blast
RC	reverse circulation
RYGO	Reynolds Yilgarn Gold Operations

Abbreviation/unit	Definition
Sahara	Sahara Natural Resources Pty Ltd
SCD	Southern Cross Domain
SCGB	Southern Cross Greenstone Belt
SOG	Sons of Gwalia Ltd
t	tonne(s)
Tectonic	Tectonic Resources
Vector	Vector Resources Ltd

Appendix A

Burnt Shirt's Kilburn Multipliers and Criteria

Rating	Off-property factor	On-property factor	Anomaly factor	Geological factor
0.1				Generally unfavourable lithology
0.2				Generally unfavourable lithology with structures
				Generally favourable
0.4				Lithology (10 to 20)
0.5			Extensive previous exploration with poor results	Alluvium covered, generally favourable lithology (50)
0.8				Generally favourable lithology (50)
1.0	No known mineralisation	No known mineralisation	No targets outlined	Generally favourable lithology (70)
1.5	Minor workings	Minor workings		Generally favourable lithology
2.0	Several old workings	Several old workings	Several well-defined targets	Generally favourable lithology with structures
2.5	Abundant workings	Abundant workings		
3.0			Several significant sub-economic intersections	Generally favourable lithology with structures along strike of a major mine
3.5	Abundant workings/mines Historical production	Abundant workings/mines Historical production		
5.0	Along strike significant mine(s) with production/reserves	Historical production	Several significant ore grade co-relatable intersections	
10	Along strike very significant mine(s) with production/reserves			



Sandstone Gold Plant Valuation

Aurumin Ltd

Mt.Palmer Gold Project

November 2021

Job Number: 3834.01



Prepared by
Como Engineers Pty Ltd
Mechanical & Mineral
Processing Engineers

Level 2, 38 Richardson Street
West Perth, WA, 6005
Phone: +61 8 9432 0100
www.comoeng.com.au

ISSUE - REVISION 0

DOCUMENT INFORMATION

Author(s): Richard Ladyman

Date: November 2021

Job Number: 3834.01

Version / Status: Issue - Revision 0

Path & File Name: P:\3834 - Aurumin Limited\3834.01 Inspection and Valuation Report\Reports\3834.01 Sandstone Valuation Rev 0.docx

Document Change Control

Version	Description (section(s) amended)	Author(s)	Date
0	Issue		

Document Review and Sign OffRichard Ladyman

Prepared By
Author

FIEAust, CPEng, FAusIMM, CPMet
Licensed Auctioneer

This document has been prepared for the exclusive use of Aurumin Ltd ("Client") on the basis of instructions, information and data supplied by them. No warranty or guarantee, whether express or implied, is made by Como Engineers with respect to the completeness or accuracy of any aspect of this document and no party, other than the Client, is authorised to or should place any reliance whatsoever on the whole or any part or parts of the document. Como Engineers does not undertake or accept any responsibility or liability in any way whatsoever to any person or entity in respect of the whole or any part or parts of this document, or any errors in or omissions from it, whether arising from negligence or any other basis in law whatsoever.

Table of Contents

1	INTRODUCTION.....	1
2	EXECUTIVE SUMMARY	1
3	PLANT DESCRIPTION.....	1
4	VALUATION METHODOLOGY	2
5	VALUATION	2
6	EXCLUSIONS.....	2
7	DISCLAIMER.....	2

List of Appendices

Appendix A – PHOTOS

Appendix B – VALUATION SPREADHSEET

1 INTRODUCTION

Brad Valiukas, Managing Director of Aurumin Ltd, has asked Como Engineers to inspect the Sandstone “Twin Shafts” gold process plant and provide a valuation report.

The Sandstone plant was built in the early 1990’s by Como Engineers for Herald Resources. The mine and plant were later sold to Troy Resources, and subsequently to Middle Island Resources. The plant has not been operated since about 2012.

On 17 November’21, the author, Richard Ladyman, Principal Engineer, visited the Sandstone site and inspected the plant.

2 EXECUTIVE SUMMARY

The new replacement cost of the Sandstone plant equipment is estimated to be approximately \$14M, ex works capital city, excludes engineering design and installation.

The market value of this equipment, taking into account the condition of the equipment, and the demand for this equipment due to the current gold price, is estimated to be approximately \$2M.

The auction value of this equipment, taking into account the condition of the equipment, and the demand for this equipment due to the current gold price, is estimated to be approximately \$500,000.

3 PLANT DESCRIPTION

The Sandstone Gold Plant has the usual gold oxide flowsheet- single stage crushing, SAG and ball mill grinding, cyclone classification, Knelson gravity circuit, 2 stage leach and 8 stage CIL, elution and goldroom. The plant has been shut down for several years, and has been subject to multiple instances of theft and vandalization.

Estimated capacity of the plant is about 500k tpa, depending on ore characteristics.

The liners have been removed from the grinding mills, and Mill 3 has had a large hole cut in the shell, probably not economically repairable.

The leach and CIL tanks have a very rusty appearance, and tanks 1-8 are badly corroded and could not be safely relocated. Tanks 9 & 10 are in better condition and could be relocated.

The access ways, stairs and web decking are generally in fair condition.

The MCCs 1 & 2 are in fair condition, and could be relocated. However the electrical equipment is very old, and procuring spares may be difficult.

4 VALUATION METHODOLOGY

The valuation estimate is based on the current New Cost of equivalent equipment, ex Australian port or capital city.

Second-hand equipment is generally valued at 50% of the new cost, but this has been reduced in some cases because of the condition of the equipment to estimate Market Value.

Auction Value is usually about 10% of the New Cost, depending on the type of equipment and its condition.

5 VALUATION

The spreadsheet, Appendix B, has an itemised Equipment List, with individual cost estimates shown.

6 EXCLUSIONS

- Power Station
- Concrete
- Engineering Design
- Camp
- Buildings outside of plant.
- Construction Costs
- Dismantling Costs

7 DISCLAIMER

All reports, valuations and investigations made by Como are subject to the following disclaimer:

- Whilst all reasonable care has been taken by Como in preparation of this report for the purpose stated herein, to the extent permissible by law Como does not accept any responsibility whatsoever for any consequence arising from the use or reliance upon any information contained herein.
- This report is based in part on information which has been provided to Como by the client and/or others and which is not under the control of Como, and its directors, employees, consultants and agents do not warrant or guarantee the accuracy of the information contained herein.

- Como believe that the conclusions, recommendations and valuations contained herein are reasonable and appropriate at the time of issue of this report and has used its best endeavours to ensure such. However, the user is cautioned that the assumptions and inputs on which this report is based may change with time and are beyond the control of Como and any persons acting on behalf of them. The user should therefore ensure that the assumptions and inputs remain valid.
- This report is prepared solely for the use of the person, company or entity to whom it is addressed. Como accepts no responsibility or liability to any third party for any damages whatsoever arising out of the use of this report by a third party.
- This report must be read in its entirety and this disclaimer constitutes an integral part of the report. Any copy or reproduction of this report must contain this disclaimer.
- Unless otherwise stated in this report, it is a technical report and does not cover any legal aspects that may be associated with the report and its subject matter. Any valuations do not include representation as to the legal title and/or ownership of any item or asset referred to or contained within the report and the assumptions made regarding such item or asset.
- Unless specifically agreed otherwise in the contract of engagement, Como retains the intellectual property rights over the contents of this report. The client is granted a non-exclusive license to use that intellectual property rights for the purpose for which this report was commissioned.



Richard Ladyman

FIEAust, CPEng, FAusIMM, CPMet

Licensed Auctioneer

Principal Engineer- Como Engineers Pty.Ltd.

Appendix A

PHOTOS

Appendix A – PHOTOS



PHOTO 1 – SANDSTONE GOLD PLANT



PHOTO 2 – CYCLONES



PHOTO 3 – GRINDING CIRCUIT



PHOTO 4 – GRINDING CIRCUIT 2



PHOTO 5 – MILL #3



PHOTO 6 – CRUSHER & LIME SILO



PHOTO 7 – CORROSION AROUND TANK BASES



PHOTO 8 – EXTENSIVE CORROSION



PHOTO 9 – LEACH & CIL TANKS

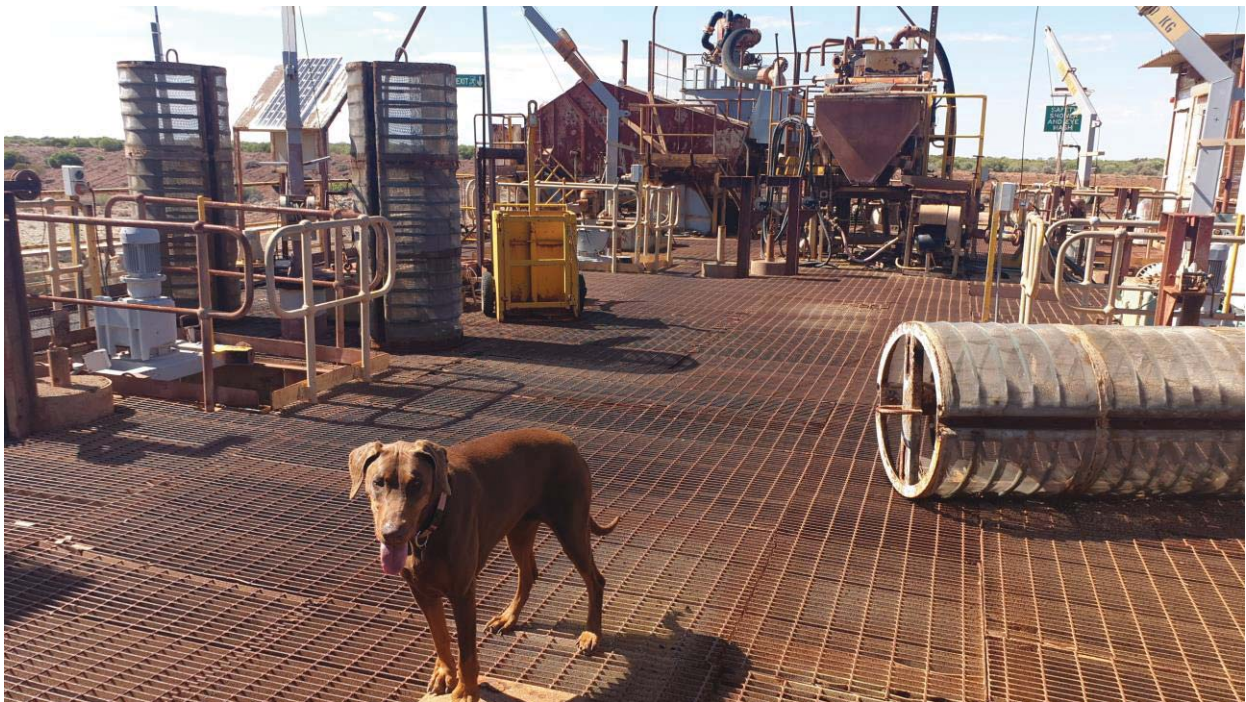


PHOTO 10 – TOP OF CIL TANKS



PHOTO 11 – KNELSON CONCENTRATOR



PHOTO 12 – MCC #1



PHOTO 13 – GOLD ROOM



PHOTO 14 – OFFICE, WORKSHOP, STORE & LABORATORY

Appendix B

VALUATION SPREADSHEET

Appendix B – VALUATION SPREADHSEET

COMO ENGINEERS

Mechanical & Mineral Process Engineers

Project Aurumim Gold Plant
Client Aurumin Ltd
Contact Brad Valiukas
Engineer RPL

Job No. 3834.01
Rev. 0
DATE: 23 Nov'21

SANDSTONE "TWIN SHAFTS" CIL PLANT VALUATION

ID	EQUIPMENT	DESCRIPTION	Drive kW	SPECIFICATIONS	CONDITION	ACTION	ESTIMATED VALUE			COMMENTS
							NEW	MARKET	AUCTION	
CRUSHING and Mill FEED										
1-BN-0001	ROM Bin & Grizzly				OK Requires some new wear plates, some holes in bottom of bin	Refurb	\$90,000	\$29,700	\$9,000	
	ROM Bin Hungry Boards				Fair	Refurb	\$10,000	\$3,300	\$1,000	
1-FE-0001	Primary Feeder (Belt)	900mm 5PN150 8x3 Covers, 6m	5.5	1440 rpm2 Fuji FrenicFRN7.5	Belt scored OK needs new guards	Refurb	\$60,000	\$19,800	\$6,000	
1-WT-001	Weightometer	Ramsay Weightometer				Refurb	\$15,000	\$4,950	\$1,500	
1-CV-001	Conveyor #1	600 mm wide PN150 3 ply 5 x 1.5 covers, 38m	4		Belt ok	Ok	\$152,000	\$50,160	\$15,200	
1-CV-002	Conveyor #2	600mm 4PN150 4 Ply 6 x 2 covers, 40m	5.5		Belt ok	Ok	\$160,000	\$52,800	\$16,000	
1-SC-001	Sizing Screen	1800mm x 1200mm double deck screen converted to single deck	5.5		Ok no visible cracks in screen body	Ok	\$40,000	\$13,200	\$4,000	
1-CR-001	Jaw Crusher	400 x 600 Maxim Jaw Crusher. Single Toggle Serial # 1-85052A	45	Max. feed size 350mm. Discharge setting 40-100mm	Recently rebuilt, ok	Ok	\$60,000	\$19,800	\$6,000	
	Ball Addition Chute	Manual ball addition chute		Located near line silo	Fair	Ok	\$5,000	\$1,650	\$500	
	Stacking Conveyor	1000mm wide by 20m long radial stacker		Luffing, electric driven	Belt ok	Refurb	\$180,000	\$59,400	\$18,000	
	Tramp Magnet	Permanent		Located on CV01		Ok	\$15,000	\$4,950	\$1,500	
	Tramp Magnet	Permanent self cleaning		Located on stacker	Belt ok	Ok	\$25,000	\$8,250	\$2,500	
2-BN-001	Lime Silo	104m3, with screw feeder	2.2	Includes auger	Still part full of lime, difficult to remove	Refurb	\$150,000	\$49,500	\$15,000	Needs new filter
	Bifurcated chute with flop gate				Ok some minor plate work required	Refurb	\$15,000	\$4,950	\$1,500	
MILLING and CLASSIFICATION										
								\$0	\$0	
2-BM-001	SAG MILL (Mill 1)	Morrow 3.6mt x 1.5mt Speed 15.78 rpm	300	Rubber liners still installed, 18t ball charge removed. 2 x 150 kW motors, Steel mill base	Girth gear & pinion worn but serviceable	Refurb	\$400,000	\$132,000	\$40,000	Liners worn need replacing
2-BM-002	SAG MILL (Mill 2)	Morrow 3.6mt x1.5mt Speed 16.93	440	Rubber liners still installed, 18t ball charge removed. 4 x 110 kW motors, Steel mill base	Girth gear & pinion worn but serviceable	Refurb	\$580,000	\$191,400	\$58,000	Liners worn need replacing
2-PM-001	SAG Mill Discharge Pump 1A	6/4 Warman DAH	75			Refurb	\$20,000	\$6,600	\$2,000	
2-PM-002	SAG Mill Discharge Pump 1B	6/4 Warman DAH	75	VT130G2 +410KOutput 460 V 138 A 3p 1-80/400hz		Refurb	\$20,000	\$6,600	\$2,000	
	SAG Mill 1 Discharge Hopper				Fair	Refurb	\$12,000	\$3,960	\$1,200	
2-PM-003	SAG Mill #2 Discharge Pump (pump 2a)	6/4 Warman DAH	37		cases show corrosion	Refurb	\$20,000	\$6,600	\$2,000	
2-PM-004	SAG Mill #2 Discharge pump (2b)	6/4 Warman DAH	37	VT130G2 +410KInput 460 V 100kVA 100Output 460 V 138 A 3 p	cases show corrosion	Refurb	\$20,000	\$6,600	\$2,000	
	SAG Mill 2 Discharge Hopper				Fair	Refurb	\$12,000	\$3,960	\$1,200	
2-PM-005	Cyclone Feed Pump #1	6/4 Warman DAH	75	ToshibaVT130G2 +410K		Refurb	\$20,000	\$6,600	\$2,000	
2-PM-006	Cyclone Feed Pump #2	6/4 Warman DAH	75	ToshibaVT130G2 +410K		Refurb	\$20,000	\$6,600	\$2,000	
2-BM-003	Ball Mill (Mill 3)	Marcey Mill 10'x10'	447.6	Liners removed, new liners reqd, backing needs repairs. Spare motor in store.	Girth gear & pinion worn but serviceable	Refurb	\$500,000	\$10,000	\$10,000	Large hole cut in shell by thieves
2-PM-001	SAG Mill Discharge Pump 1A	6/4 Warman DAH	75			Refurb	\$20,000	\$6,600	\$2,000	
2-PM-002	SAG Mill Discharge Pump 1B	6/4 Warman DAH	75	VT130G2 +410KOutput 460 V 138 A 3p 1-80/400hz		Refurb	\$20,000	\$6,600	\$2,000	
	Ball Mill 3 Discharge Hopper				ok	Refurb	\$12,000	\$3,960	\$1,200	
2-CN-001	Knelson Concentrator	Knelson Concentrator 30" Serial No 30B890235026 A001P	7.5		Poor	Replace	\$150,000	\$20,000	\$5,000	
2-CY-001-6	Cyclone nest	Warman 6" C FSA Cyclone		Vortex 60mm Spigot 45mmFeed Chamber liner	not used	Not Used	\$80,000	\$1,000	\$100	Access poor to cyclones needs to be raised
2-CY-007-10	Cyclone nest	Warman 10" C Cyclone			Spares in store	Refurb	\$120,000	\$1,000	\$100	Access poor to cyclones needs to be raised
2-SC-002	DSM Screen	DSM Screen (2mm aperture) Manufactured by Walkers Mining			Fair, Needs sandblast,repairs,pain, new panels	Replace	\$20,000	\$500	\$100	
LEACHING and ADSORPTION										
2-SC-001	Trash Screen	Malco Honertt Model BRU-2-180/360 Serial No 55728/202/386	4.4	72 Panels 548 x 148 with 1mm x 10mm apertures	Poor	Replace	\$80,000	\$20,000	\$5,000	
3-TK-001	Leach Tank #1	13.6mts x 5.6mts. 338 cu. Mts.Draught tube with Lightnin Agitators		Corrosion at top 1.5m & bottom 0.5m, severe pitting inside, draft tube & I/S screen nozzle badly corroded, baffles corroded, bottoms u/s, some concreted	Poor	Refurb	\$750,000	\$0	\$0	
	Agitator	Lightnin 75Q20 21.5:1	15		Poor	Refurb	\$34,000	\$11,220	\$3,400	Blades corroded
3-TK-002	Adsorption Tank # 2	13.6mts x 5.6mts. 338 cu. Mts.Draught tube with Lightnin Agitators		Corrosion at top 1.5m & bottom 0.5m, severe pitting inside, draft tube & I/S screen nozzle badly corroded, baffles corroded, bottoms u/s, some concreted		Refurb	\$750,000	\$0	\$0	
	Agitator	Lightnin 75Q20 21.5:1	15		Poor	Refurb	\$34,000	\$11,220	\$3,400	
3-TK-003	Adsorption Tank # 3	13.6mts x 5.6mts. 338 cu. Mts.Draught tube with Lightnin Agitators		Corrosion at top 1.5m & bottom 0.5m, severe pitting inside, draft tube & I/S screen nozzle badly corroded, baffles corroded, bottoms u/s, some concreted		Refurb	\$750,000	\$0	\$0	
	Agitator	Lightnin 75Q20 21.5:1	15		Poor	Refurb	\$34,000	\$11,220	\$3,400	Blades worn & corroded
3-TK-004	Adsorption Tank # 4	13.6mts x 5.6mts. 338 cu. agitator tube with Lightnin Agitators		Corrosion at top 1.5m & bottom 0.5m, severe pitting inside, draft tube & I/S screen nozzle badly corroded, baffles corroded, bottoms u/s, some concreted		Refurb	\$750,000	\$0	\$0	
	Agitator	Lightnin 75Q20 21.5:1	15		Poor	Refurb	\$34,000	\$11,220	\$3,400	Blades worn & corroded
3-TK-005	Adsorption Tank # 5	13.6mts x 5.6mts. 338 cu. Mts.Draught tube with Lightnin Agitators		Corrosion at top 1.5m & bottom 0.5m, severe pitting inside, draft tube & I/S screen nozzle badly corroded, baffles corroded, bottoms u/s, some concreted		Refurb	\$750,000	\$0	\$0	
	Agitator	Lightnin 75Q20 21.5:1	15		Poor	Refurb	\$34,000	\$11,220	\$3,400	Blades worn & corroded
3-TK-006	Adsorption Tank # 6	13.6mts x 5.6mts. 338 cu. Mts.Draught tube with Lightnin Agitators		Corrosion at top 1.5m & bottom 0.5m, severe pitting inside, draft tube & I/S screen nozzle badly corroded, baffles corroded, bottoms u/s, some concreted		Refurb	\$750,000	\$0	\$0	
	Agitator	Lightnin 75Q20 21.5:1	15	Blades worn & corroded	Poor	Refurb	\$34,000	\$11,220	\$3,400	Blades worn & corroded
3-TK-007	Adsorption Tank # 7	13.6mts x 5.6mts. 338 cu. Mts.Draught tube with Lightnin Agitators		Corrosion at top 1.5m & bottom 0.5m, severe pitting inside, draft tube & I/S screen nozzle badly corroded, baffles corroded, bottoms u/s, some concreted		Refurb	\$750,000	\$0	\$0	
	Agitator	Lightnin 75Q20 21.5:1	15		Poor	Refurb	\$34,000	\$11,220	\$3,400	Blades worn & corroded
3-TK-008	Adsoption Tank # 8	10.5 mts x 7.75 494 cu.mts Lightnin Agitators				Ok	\$860,000	\$10,000	\$0	
	Agitator	Lightnin780Q40 Serial # K883758	30		Fair	Refurb	\$40,000	\$13,200	\$4,000	Blades worn & corroded, 1 fallen off
3-TK-009	Adsoption Tank # 9	10.5 mts x 7.75 494 cu.mts Lightnin Agitators				Ok	\$860,000	\$10,000	\$0	
	Agitator	Lightnin780Q40 Serial # K883757	30	Blades worn & corroded, 1 fallen off	Fair	Refurb	\$40,000	\$13,200	\$4,000	
3-SC-001	Inter Tank Screen in Tank #2	Mesh Screen with External mechanical wiper	2.2	1.96 mt Height x 750mm diaStainless Steel woven wireAperture 1.0mm x 56mm Note: Using 1240 wide mesh from MELWIRE Cut top mesh in half		Refurb	\$35,000	\$11,550	\$1,000	Needs new screen material

SANDSTONE "TWIN SHAFTS" CIL PLANT VALUATION

ID	EQUIPMENT	DESCRIPTION	Drive kW	SPECIFICATIONS	CONDITION	ACTION	ESTIMATED VALUE			COMMENTS
	SCREEN HOIST	8mm dia G1570,6 x 19W 30 mt max. length			ok	Ok	\$10,000	\$3,300	\$1,000	
3-SC-002	Inter Tank Screen in Tank #2	Mesh Screen with External mechanical wiper 8mm dia G1570,6 x 19W 30 mt max. length	2.2	1.96 mt Height x 750mm diaStainless Steel woven wireAperture 1.0mm x .56mm Note: Using 1240 wide mesh from MELWIRE Cut top mesh in half		Refurb	\$35,000	\$11,550	\$1,000	Needs new screen material
	SCREEN HOIST	8mm dia G1570,6 x 19W 30 mt max. length			ok	Ok	\$10,000	\$3,300	\$1,000	
3-SC-003	Inter Tank Screen in Tank #2	Mesh Screen with External mechanical wiper 8mm dia G1570,6 x 19W 30 mt max. length	2.2	1.96 mt Height x 750mm diaStainless Steel woven wireAperture 1.0mm x .56mm Note: Using 1240 wide mesh from MELWIRE Cut top mesh in half		Refurb	\$35,000	\$11,550	\$1,000	
	SCREEN HOIST	8mm dia G1570,6 x 19W 30 mt max. length			ok	Ok	\$10,000	\$3,300	\$1,000	
3-SC-004	Inter Tank Screen in Tank #2	Mesh Screen with External mechanical wiper 8mm dia G1570,6 x 19W 30 mt max. length	2.2	1.96 mt Height x 750mm diaStainless Steel woven wireAperture 1.0mm x .56mm Note: Using 1240 wide mesh from MELWIRE Cut top mesh in half		Refurb	\$35,000	\$11,550	\$1,000	Needs new screen material
	SCREEN HOIST	8mm dia G1570,6 x 19W 30 mt max. length			ok	Ok	\$10,000	\$3,300	\$1,000	
3-SC-005	Inter Tank Screen in Tank #2	Mesh Screen with External mechanical wiper 8mm dia G1570,6 x 19W 30 mt max. length	2.2	1.96 mt Height x 750mm diaStainless Steel woven wireAperture 1.0mm x .56mm Note: Using 1240 wide mesh from MELWIRE Cut top mesh in half		Refurb	\$35,000	\$11,550	\$1,000	Needs new screen material
	SCREEN HOIST	8mm dia G1570,6 x 19W 30 mt max. length			ok	Ok	\$10,000	\$3,300	\$1,000	
3-SC-006	Inter Tank Screen in Tank #2	Mesh Screen with External mechanical wiper 8mm dia G1570,6 x 19W 30 mt max. length	2.2	1.96 mt Height x 750mm diaStainless Steel woven wireAperture 1.0mm x .56mm Note: Using 1240 wide mesh from MELWIRE Cut top mesh in half		Refurb	\$35,000	\$11,550	\$1,000	Needs new screen material
	SCREEN HOIST	8mm dia G1570,6 x 19W 30 mt max. length			ok	Ok	\$10,000	\$3,300	\$1,000	
3-SC-007	Inter Tank Screen in Tank #8	Wedge Wire Screen Air cleaned			ok	Ok	\$10,000	\$3,300	\$1,000	
3-SC-008	Inter Tank Screen in Tank #9	Wedge Wire Screen Air cleaned			ok	Ok	\$10,000	\$3,300	\$1,000	
3-HT-001	Carbon Lifting Hoist above tank # 5	1 Tonne capacity chain hoist			ok	Ok	\$10,000	\$3,300	\$1,000	
3-HT-002	Carbon Lifting Hoist above tank # 9	1 Tonne capacity chain hoist				Ok	\$10,000	\$3,300	\$1,000	
4-CP-001	Loaded Carbon Transfer Pump	Warman QV 004 Size 3/3 Frame QV Type TC Serial # SY28646	7.5	Warman QV 004 Size 3/3 Frame QV Type TC Serial # SY28646		Ok	\$12,000	\$3,960	\$1,200	
	Carbon Transfer Pump	Tank 9 to 8	7.5	Warman QV 004 Size 3/3 Frame QV Type TC Serial # SY28646		Ok	\$20,000	\$6,600	\$2,000	
	Carbon Transfer Pump	Tank 8 to 7	7.5	Warman QV 004 Size 3/3 Frame QV Type TC Serial # SY28646		Ok	\$20,000	\$6,600	\$2,000	
	Tails Screen -Single deck with inlet hopper and woven wire mesh			Needs blast, refurb,paint	Fair,	Refurb	\$80,000	\$20,000	\$2,000	
5-PM-001	Tails Pump	Warman 4/3 CAH	30		Poor	Refurb	\$12,000	\$3,960	\$1,200	
5-PM-002	Tails Pump	Warman 4/3 CAH	30		Poor	Refurb	\$12,000	\$3,960	\$1,200	
	Tails Discharge Hopper				Fair	Refurb	\$9,000	\$2,970	\$900	
ELUTION and REGENERATION								\$0	\$0	
4-SC-001	Carbon Recovery Screen	Ical Screen Model LBup-126	1.5	Model J2 Serial # 2003 Man. Universal mining Fabricators Navel Base	Poor	Refurb	\$50,000	\$16,500	\$5,000	
4-JG-001	Carbon Recovery Jig UMF				Poor	Refurb	\$30,000	\$9,900	\$3,000	
4-TK-001	Acid Wash Tank					Not Used	\$10,000	\$3,300	\$1,000	
4-CL-001	Acid Wash Column			Atkins P 631 8460-3/4 PRV	Corroded	Not Used	\$40,000	\$13,200	\$4,000	Not Used
4-PM-001	Acid Wash Pump	Grundfos CRN 16-30	3		??	Not Used	\$40,000	\$13,200	\$4,000	Not Used
4-PM-002	Elution Pump A	Grundfos CRN 16-30	3		??	Not Used	\$30,000	\$9,900	\$3,000	Not Used
4-PM-003	Elution Pump B	Grundfos CRN 16-30	3			Not Used	\$30,000	\$9,900	\$3,000	Not Used
4-TK-003	Eluat Tank	84 dia x 2.0mts (4.02 cu.mts)				Alt Use	\$20,000	\$6,600	\$2,000	Use as Gravity Preg Tank
4-TB-001	Gemini Table	Gemini Table 60 Series Man. Mineral Technologies		Very small & useless	Corroded	Not Used	\$50,000	\$16,500	\$5,000	Not Used
4-FN-002	Kleenheat Gas Tilt Furnace			220 MJ/Hr		Not Used	\$30,000	\$9,900	\$3,000	
4-FN-003	Gas Fired Furnace	Kleenheat Gas Tilt Furnace				Refurb	\$30,000	\$9,900	\$3,000	Needs new lining
4-OV-001	Calcline Oven	Calcline Oven Model HPF-9C Serial No 123 Man. E J Ward PO Box 144 Findon SA 5023	3 X 4.8	3 x 240 volts3 x 1 phase3 x28 amps3 x 4.8 kW Volume 3431Max Temp. 1280 Deg. C	Obsolete, burner does not comply with current regs	Replace	\$25,000	\$8,250	\$2,500	
	Electrowinning cell #1	600mm X 600mm 10 Cathode		Polypropylene - fire risk	ok	Alt Use	\$30,000	\$9,900	\$3,000	
	Electrowinning cell #1 Rectifier					Alt Use	\$25,000	\$8,250	\$2,500	
	Electrowinning cell #2	600mm X 600mm 10 Cathode		Polypropylene - fire risk	ok	Not Used	\$30,000	\$9,900	\$3,000	
	Electrowinning cell #2 Rectifier				Not sighted	Not Used	\$25,000	\$8,250	\$2,500	
	Carbon Reactivation kiln	Model HA203-Refer box 1 for detail - Supplier ANSAC			Very old & u/s	Replace	\$200,000	\$66,000	\$20,000	
	Safe	Dual Lock				Ok	\$30,000	\$9,900	\$3,000	
	Balance	Mettler				Ok	\$10,000	\$3,300	\$1,000	
	Carbon Handling Kibble					Ok	\$5,000	\$1,650	\$500	
	Carbon Handling Kibble					Ok	\$5,000	\$1,650	\$500	
	Carbon Handling Kibble					Ok	\$5,000	\$1,650	\$500	
	Carbon Handling Kibble					Ok	\$5,000	\$1,650	\$500	
SERVICES and REAGENTS										
6-PM-019	Tails Return Pump			Decant Ring		Refurb	\$5,000	\$1,650	\$500	
6-PM-020	Tails Return Pump			Decant Ring		Refurb	\$5,000	\$1,650	\$500	
6-PM-027	Tails Return Pump			No info		Refurb	\$5,000	\$1,650	\$500	
6-PM-001	Sump Pump Mill Central	Terra Titan 40.900A	4		Poor	Refurb	\$11,000	\$3,630	\$1,100	
6-PM-021	Sump Pump Mill West	Terra Titan 40.900A	4		Poor	Refurb	\$11,000	\$3,630	\$1,100	
6-PM-002	Sump Pump Mill 2	Terra Titan 40.900A	4		Poor	Refurb	\$11,000	\$3,630	\$1,100	
6-PM-003	Sump Pump Tailings	Terra Titan 40.900A	4		Poor	Refurb	\$11,000	\$3,630	\$1,100	
6-PM-004	Sump Pump Gold Room	Terra Titan 40.900A	4		Poor	Refurb	\$11,000	\$3,630	\$1,100	
6-PM-005	Sump Pump Leach Area	Terra Titan 40.900A	4		Poor	Refurb	\$11,000	\$3,630	\$1,100	
2-SS-001	Shower/Eye Wash	Pratt Shower /Eye Wash Station				Ok	\$2,500	\$825	\$250	
3-SS-001	Shower/Eye Wash	Pratt Shower /Eye Wash Station				Ok	\$2,500	\$825	\$250	
4-SS-001	Shower/Eye Wash	Pratt Shower /Eye Wash Station				Ok	\$2,500	\$825	\$250	
4-SS-002	Shower/Eye Wash	Pratt Shower /Eye Wash Station				Ok	\$2,500	\$825	\$250	
4-SS-003	Shower/Eye Wash	Pratt Shower /Eye Wash Station				Ok	\$2,500	\$825	\$250	
4-SS-004	Shower/Eye Wash	Pratt Shower /Eye Wash Station				Ok	\$2,500	\$825	\$250	
4-SS-005	Shower/Eye Wash	Pratt Shower /Eye Wash Station				Ok	\$2,500	\$825	\$250	
6-SS-001	Shower/Eye Wash	Pratt Shower /Eye Wash Station				Ok	\$2,500	\$825	\$250	
8-SS-001	Shower/Eye Wash	Pratt Shower /Eye Wash Station				Ok	\$2,500	\$825	\$250	
8-SS-002	Shower/Eye Wash	Pratt Shower /Eye Wash Station				Ok	\$2,500	\$825	\$250	
PS-EW-001	Eye Wash station	Portable Eye Wash Station					\$2,000	\$660	\$200	
6-TK-001	Cyanide Mixing Tank	925mt dia x 1.85mt h Volume 4.96 cu mt			No dust control. Not acceptable without modification	Refurb	\$12,000	\$3,960	\$1,200	
	Cyanide Mixing Tank Agitator	Lightnin agitator removed and will not be used again				Not Used	\$2,500	\$825	\$250	
6-TK-002	Cyanide Holding Tank				ok	Ok	\$20,000	\$6,600	\$2,000	
6-PM-006	Cyanide Transfer Pump				good	Ok	\$3,000	\$990	\$300	
6-PM-007	Cyanide Pump	Grundfos CRN 10			ok	Ok	\$3,000	\$990	\$300	
6-AC-001	Air Compressor				ok	Refurb	\$10,000	\$3,300	\$1,000	
	AIR RECEIVER	1034 kpa ModelSF50 1/2 BSP CRN 049981-OVY IV 150 PSI 274 SCFM		Compressor removed from service due to big end and con rod failure, unit deemed unrepairable	ok	Ok	\$10,000	\$3,300	\$1,000	
6-AC-002	Air Compressor					Refurb	\$20,000	\$6,600	\$2,000	
	AIR RECEIVER			Pressure vessel inspection was carried out on the 27/11/04 by CAPS. Due on the 27/11/07	ok	Ok	\$10,000	\$3,300	\$1,000	
6-AC-003	Air Compressor	Ingersol Rand ML 55		???	poor	Ok	\$60,000	\$19,800	\$6,000	
6-AC-004	Air Compressor	Screw Compressor CSD 75 plus			poor	Refurb	\$6,000	\$1,980	\$600	
	AIR RECEIVER				ok	Ok	\$10,000	\$3,300	\$1,000	
	REFRIGERATED DRYER	400/3/50 Timed1.9mpa - 2.8mpa19bar - 28bar276psi - 406psi			ok	Ok	\$6,000	\$1,980	\$600	

SANDSTONE "TWIN SHAFTS" CIL PLANT VALUATION

[illegible]



SANDSTONE GOLD PROJECT

Valuation Opinion Report

MARCH 2022

REPORT PREPARED FOR AURUMIN LIMITED

MR BRAD VALIUKAS

REPORT AUTHOR

JEREMY PETERS, BSC BENG FAUSIMM CP (MIN,GEO)

REPORT REVIEWER

PAUL MAZZONI MSC BSC FAUSIMM

**Burnt
Shirt**



All rights in this document are reserved in accordance with the terms of the agreement between Burnt Shirt Pty Ltd and Aurumin Limited.

© 2022 Burnt Shirt Pty Ltd



Burnt Shirt Pty Ltd

PO Box 314, Northbridge WA 6865, AUSTRALIA

0437 408 942 • admin@burntshirt.com.au

ABN 17 619 324 622

31 March 2022

Mr Brad Valiukas
Managing Director
Aurumin Limited

Via email: brad.valiukas@aurumin.com.au

Dear Brad

VALUATION OPINION – SANDSTONE GOLD PROJECT

Burnt Shirt Pty Ltd (Burnt Shirt) has been requested¹ by Aurumin Limited (Aurumin) to prepare a Valuation Opinion of the Mineral Assets² of the Sandstone Gold Project ('Sandstone', including the Wirraminna, Telegraph and Jew Well tenements) located in Western Australia. Burnt Shirt understands the purpose of this Valuation Opinion is to support a potential transaction.

This Valuation Opinion is prepared in accordance with the guidelines of the VALMIN Code and has an Effective Date of 14 February 2022, this being the date on which public subscription data used to support the Valuation Opinion was accessed. The Mineral Assets were either wholly owned or partially owned Middle Island Resources Ltd (MDI) as at that date.

There are Mineral Resources but no Ore Reserves³ reported for the Mineral Assets.

A draft version of this report was provided to Aurumin, along with a request to confirm that there are no material errors or omissions in the report and that the information in the report is factually accurate.

Confirmation of those terms has been provided in writing and has been relied upon by Burnt Shirt. This report is provided subject to the following assumptions and qualifications:

- Aurumin has made available to Burnt Shirt all material information in its possession or known to it in relation to the technical, development, mining, and financial aspects of the project areas and that it has not withheld any material information and that information is accurate and up to date in all material respects.
- All reports and other technical documents provided by Aurumin correctly and accurately record the result of all geological and other technical activities and metallurgical test work conducted to date in relation to the Mineral Assets and accurately record any advice from relevant technical experts.
- It is assumed MDI has good and valid title to all tenements or other land tenure required to explore, develop, mine and operate within the project areas in the manner proposed. Burnt Shirt has not been provided with a legal due diligence document as to the status of the tenements.
- All necessary governmental consents and approvals (including those regarding environmental issues) required to manage exploration of the Mineral Assets have been obtained or will be

¹ Email, Brad Valiukas to Jeremy Peters dated 14 February 2022

² As defined by VALMIN 2015, Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (the VALMIN Code).

³ As defined by JORC, 2012. Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code).

to any exploration or other activities proposed and which will not cause any material change to the costs of such activities.

- All the information provided by Aurumin pertaining to Mineral Assets or its history or future intentions, financial forecasting, or the effect of relevant agreements, is correct and accurate in all material respects.
- This Valuation Opinion contemplates the Sandstone Mineral Assets only. Burnt Shirt is not qualified to, nor does it value other property, plant and equipment or financial instruments, although some value for such things may be implied in Valuations that are based on comparable transactions.

In relation to the above qualifications, Burnt Shirt did not undertake any independent enquiries or audits to verify that the assumptions are correct and gives no representation that they are correct. Burnt Shirt has not conducted any type of audit of MDI's records to verify that all material documentation has been provided.

Burnt Shirt has however endeavoured, by making reasonable enquiry of Aurumin and the relevant public databases in Western Australia, to ensure that all material information in the possession of Aurumin has been fully disclosed to Burnt Shirt.

Executive Summary

Burnt Shirt considers that the aggregate Technical Value of MDI's Mineral Resources at its Sandstone project on or about 14 February 2022 lies within a range of value between **A\$10 million** and **A\$14 million**, with a Preferred Value of **A\$10 million**, at the lower end of this range.

Burnt Shirt considers that the aggregate Technical Value of the exploration assets on or about 14 February 2022 lies within a range of value between **A\$4 million** and **A\$10 million**, with a Preferred Value of **A\$5 million**, close to the lower end of this range.

Burnt Shirt considers that the aggregate Technical Value of the projects on or about 14 February 2022 lies within a range of value between **A\$14 million** and **A\$24 million**, with a Preferred Value of **A\$15 million**, close to the lower end of this range.

Burnt Shirt considers that the Market Value of MDI's Mineral Assets on or about 14 February 2022 lies in a range between **A\$12 million** and **A\$24 million**. This Market Value is derived from observation of the enterprise value of MDI.

Yours faithfully



Jeremy Peters, BSc BEng FAusIMM CP (Min, Geo) AWASM

Director

Burnt Shirt Pty Ltd

Email: jeremy.peters@burntshirt.com.au

Phone: +61 437 408 942

CONTENTS

1	INTRODUCTION	1
1.1	Mineral Assets.....	1
1.2	Valuation Results.....	2
1.3	Qualifications of Practitioner	2
1.4	Effective Date	2
1.5	Sources of Information and Site Visit.....	3
1.6	Mineral Resources and Ore Reserves	3
1.7	Limitations.....	3
1.8	Reliance on Information	4
1.9	Declaration.....	4
1.9.1	Consent.....	4
1.9.2	Copyright.....	4
1.10	Reliance on Other Experts	4
2	SANDSTONE GOLD PROJECT	6
2.1	Overview	6
2.1.1	Geological Concept.....	6
2.1.2	Location and Access.....	6
2.1.3	Aboriginal Heritage, Native Title, and Environment.....	7
2.1.4	Regional Geology ⁷	7
2.1.5	Previous Exploration.....	11
2.1.6	Prospectivity	13
3	MINERAL RESOURCE ESTIMATES	14
4	VALUATION OPINION.....	16
4.1	Considerations.....	16
4.2	Valuation Methods.....	16
4.2.1	Mineral Assets with Mineral Resources and Ore Reserves	16
4.2.2	Mineral Assets in the Exploration Stage	16
4.2.3	Multiple Valuation Approaches.....	18
5	VALUATION OPINION PARAMETERS.....	19
5.1	Comparable Transactions	19
5.1.1	Transaction summaries	20
5.2	Base Acquisition Cost.....	21
5.3	Gold Price	21
6	VALUATION OPINION RESULTS	23
6.1	Exploration Potential	23
6.2	Mineral Resource	25
6.3	Secondary Valuation Technique.....	27
6.4	Net Value.....	27
6.5	Market Value	28

ABBREVIATIONS AND UNITS.....29

Tables

Table 1-1	Sandstone tenement schedule	2
Table 1-2	Mineral Asset Technical Valuation.....	2
Table 1-3	Responsibilities of the author.....	3
Table 3-1	Sandstone Mineral Resource estimates at 0.5%g/t cut-off ⁶	14
Table 5-1	Comparable transactions.....	19
Table 5-2	Comparable transactions simple statistics.....	20
Table 5-3	Burnt Shirt MDI BAC - WA.....	21
Table 6-1	Sandstone Kilburn Technical Value	24
Table 6-2	Mineral Resource Valuation summary	26
Table 6-3	Mineral Resources Technical Value - Summary	27

Figures

Figure 1-1	Sandstone Gold Project.....	1
Figure 2-1	Sandstone regional geology.....	8
Figure 2-2	Geology and structural components of the Sandstone-Greenstone Belt	9
Figure 2-3	Interpreted bedrock geological map of ATLEY and southern SANDSTONE.....	10
Figure 2-4	Open pit gold deposits and prospects - 2020 drilling campaign.....	12

Appendix

Appendix A	Burnt Shirt's Kilburn Multipliers and Criteria
------------	--

1 INTRODUCTION

Burnt Shirt Pty Ltd (Burnt Shirt) has been requested by Aurumin to prepare a Valuation of MDI's 100% owned Sandstone project for the purpose of a potential transaction.

Sandstone is in the East Murchison gold district of Western Australia, located on a sealed highway between the mining towns of Mt Magnet and Leinster.

This document has been commissioned by Aurumin and is prepared in accordance with the 2012 guidelines of the Australian Joint Ore Reserves Committee ("the JORC Code") and the 2015 Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets ("the VALMIN Code").

While the VALMIN Code has been considered in its preparation, the report is not to be used for any purpose other than its stated purpose without the consent of Burnt Shirt.

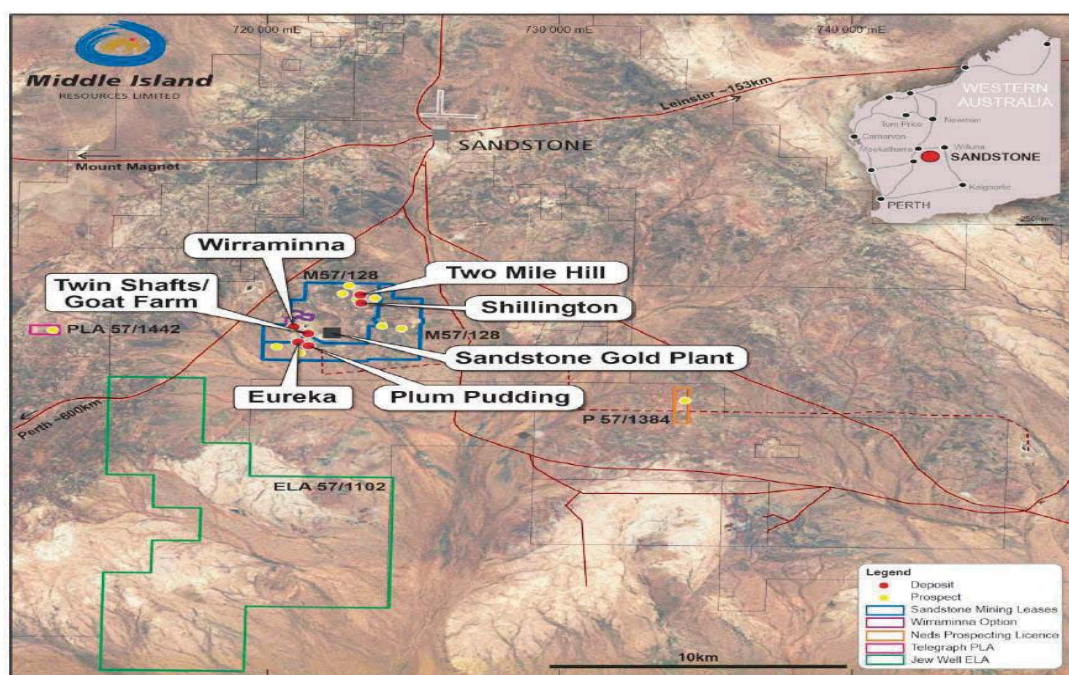
1.1 Mineral Assets

The Mineral Assets that are the subject of this Valuation are:

- Two mining leases (M57/128, M57/129)
- Three prospecting licences (P57/1384, P57/1395, P57/1442)
- One exploration licence (E57/1102).

Refer to Figure 1.1 for project locations and Table 1-1 for the tenement status schedule. Burnt Shirt has not sighted a recent Solicitor's Report as to the status of the tenure and has therefore relied on independent confirmation via the Department of Mines, Industry Regulation and Safety (DMIRS) online tenement database, Mineral Titles Online accessed on 14 February 2022 to inform this Valuation.

Figure 1.1 Sandstone Gold Project



Source: MDI / VRM

Table 1-1 Sandstone tenement schedule

Project	Tenement	Licensee	Status	Grant/ Application	Expiry	Area (Ha)	Area (Blocks)
Sandstone	M57/128	MDI	Live	27/09/1989	26/09/2031	974.5	30
	M57/129			10/04/1989	9/04/2031	996.8	
	P57/1384			5/04/2016	4/04/2024	100.1	
Wirraminna	P57/1395			13/06/2017	12/06/2025	40.6	
Telegraph	P25/1442			21/05/2019	20/05/2023	51.2	
Jew Well	E57/1102			28/05/2019	27/05/2024		

Source: VRM, 16 November 2021 Valuation Results

1.2 Valuation Results

Burnt Shirt considers that the aggregate Technical Value of the exploration assets on or about 14 February 2022 lies within a range of value between **A\$4 million and A\$10 million**, with a Preferred Value of **A\$5 million**, close to the lower end of this range.

Burnt Shirt has arrived at an estimated range of Technical Values for the reported Mineral Resources of **A\$10 million to A\$14 million**, with a Preferred Value at the lower end of this range of **A\$10 million**.

The aggregate value of the Mineral Assets lies in a range of **A\$14 million to A\$24 million**, with a Preferred Value of **A\$15 million** close to the lower end of this range (Table 1-2).

Table 1-2 Mineral Asset Technical Valuation

Aggregate Valuation (A\$ M)			
Projects	Lower	Upper	Preferred
Sandstone Exploration Potential	4	10	5
Sandstone Mineral Resource	10	14	10
AGGREGATE VALUE (A\$M)	14	24	15

1.3 Qualifications of Practitioner

The Practitioner⁷ preparing this Valuation is Mr Jeremy Peters, BSc BEng FAusIMM CP (Mining, Geology), who is a dual qualified geologist and mining engineer with some 30 years' professional and broad experience in the mining industry since graduation.

Mr Peters has been continuously involved in the preparation of Mineral Asset Valuations and Competent Persons Reports for 13 years and intermittently for 25 years. Mr Peters has extensive exposure to and understanding of the JORC Code, the VALMIN Code, the public policies of the Australian Securities and Investments Commission and the Listing Rules of the Australian Securities Exchange (ASX).

1.4 Effective Date

The Effective Date of this report is 14 February 2022, this being the date that a public subscription database was queried by the author to provide data to support the Valuation Opinion. The author has valued the Mineral Assets in accordance with the state of knowledge as at that date.

Unless otherwise stated, information and data contained in this report or used in its preparation has been provided by Aurumin or has been gathered from public sources.

1.5 Sources of Information and Site Visit

Mr Peters has not visited the Sandstone project site for the purposes of this Valuation Opinion but is familiar with each area because of previous engagements in the respective regions. Mr Peters most recently examined the geology in the vicinity of Sandstone in November 2021.

In preparing this report, Mr Peters has extensively relied on information collated by other parties, as described in Section 1.10 below. Mr Peters has critically examined this information, made his own enquiries, and applied his general geological competence to conclude that the information presented in this Valuation Opinion complies with the definitions and guidelines of the JORC Code.

The responsibility of the author is provided in Table 1-3.

Table 1-3 Responsibilities of the author

Author	Responsible for sections
Jeremy Peters, FAusIMM CP (Min, Geo)	1, 2, 4, 5, 6, 7

Unless otherwise stated, all currencies are expressed in Australian dollars (A\$) units of measurement are metric and the Geocentric Datum of Australia 1994 (GDA94) Zone 51 map grid has been used. Historical units have been converted to metric units.

Burnt Shirt is responsible for this report and declares that it has taken all reasonable care to ensure that the information contained in this report is, to the best of its knowledge, in accordance with the facts and contains no material omissions.

1.6 Mineral Resources and Ore Reserves

The Sandstone project contains Mineral Resource Estimates completed on ten deposits comprising Inferred and Indicated Mineral Resources⁴. These Mineral Resources have been reported in accordance with the guidelines of the JORC Code and Burnt Shirt has not performed any detailed assessment nor provided Competent Person assurance regarding the Mineral Resource estimates. Mr Peters has examined the Mineral Resource estimates and considers that they form an appropriate basis on which to perform a Valuation.

No Ore Reserves exist for the purposes of this Valuation Opinion.

1.7 Limitations

To the fullest extent permitted by law, Burnt Shirt does not assume any responsibility and will not accept any liability to any other person other than the addressees for any loss suffered by any such other person because of, arising out of, or in connection with the Valuation Opinion or statements contained therein.

Aurumin has confirmed to Burnt Shirt that, to its knowledge, the information provided (when provided) was complete and not incorrect or misleading in any material respect. Burnt Shirt has no reason to believe that any material facts have been withheld. Aurumin has confirmed that it believes that it has provided all material information available to it that is material to the Valuation Date.

⁴ MDI Annual Report 2021.

1.8 Reliance on Information

Burnt Shirt believes that its opinion must be considered as a whole, and that partial analysis could create a misleading view of the process underlying the Valuation Opinion. The preparation of a Valuation is a complex process and does not lend itself to partial analysis or summary.

1.9 Declaration

Burnt Shirt will receive a fee for the preparation of this report in accordance with normal professional consulting practice. This fee is not contingent on the outcome of the Valuation Opinion and Burnt Shirt will receive no other benefit for the preparation of this report. Burnt Shirt does not have any pecuniary or other interests that could be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the assets and the projections and assumptions included in the various technical studies supplied by Aurumin, opined upon by Burnt Shirt and reported herein.

Neither Burnt Shirt, the Practitioner (Mr Peters), who is responsible for authoring this Valuation Opinion, nor any Directors of Burnt Shirt have at the date of this report, nor have had within the previous two years, any shareholding in Aurumin or any of its advisors or related parties. Consequently, Burnt Shirt, Mr Peters and the Directors of Burnt Shirt consider themselves to be independent of Aurumin and its related parties.

1.9.1 Consent

Burnt Shirt has given and has not withdrawn its written consent to the use of this Valuation Opinion for commercial purposes by Aurumin.

Where any information in the Valuation Opinion has been sourced from a third party, such information has been accurately reproduced and no facts have been omitted that would render the reproduced information inaccurate or misleading.

1.9.2 Copyright

Copyright of all text and other matter in this document, including the manner of presentation, is the exclusive property of Burnt Shirt.

It is an offence to publish this document or any part of the document under a different cover, or to reproduce and/or use, without written consent, any proprietary technical procedure and/or technique.

1.10 Reliance on Other Experts

In preparing this report, Burnt Shirt has been reliant on information provided by Aurumin and publicly available information regarding geology and operations in the relevant project area.

The principal source of information regarding MDI's assets is private and statutory reports that have been prepared by MDI's staff and others and submitted to the Australian Securities Exchange (ASX) and the Western Australian Department of Mines, Industry Regulation and Safety (DMIRS).

Burnt Shirt has examined a large volume of information regarding the history of MDI's projects and has considered the information provided in MDI's Independent Expert's Report (IER) dated 1 December 2021 (prepared by BDO Limited, of Perth) including Valuation and Resource Management's (VRM, of Perth) technical assessment and Valuation report, dated 25 November 2021.

Burnt Shirt comments that the VRM Valuation values the Sandstone Mineral Assets at around A\$15M, albeit by slightly different methods to those employed by Burnt Shirt. Burnt Shirt considers that this Valuation broadly supports its Valuation Opinion.

Burnt Shirt has also examined announcements to the ASX made throughout from 2016 by MDI and ASX announcements made by the previous owner of Sandstone, Troy Resources Limited. Burnt Shirt recommends the references listed in that report as supplying appropriate background information for this Valuation Opinion.

2 SANDSTONE GOLD PROJECT

2.1 Overview

The Sandstone project comprises two granted Mining Leases on which the processing plant is situated. MDI has 100% interest in the nearby Wirraminna, Ned's, Jew Well and Telegraph tenements.

The Sandstone project also includes a 600,000tpa CIL processing plant, all associated infrastructure, an operating licence, permitted tailings storage facility and bore field, and three fully equipped camps located on freehold title within the nearby village of Sandstone. Burnt Shirt has not sighted a Valuation of Property, Plant and Equipment.

MDI completed a Feasibility Study (including Mill Upgrade) into the re-commissioning Sandstone on a stand-alone basis; whereby, it was concluded there was no justification to proceed at a gold price of <A\$2,500/oz. To progress Sandstone, MDI's subsequent analysis required one of the following factors to change: a longer mine life, larger milling inventory, higher mill throughput, a higher weighted average gold grade, a higher gold price or a reduction in the operating and capital costs.

2.1.1 Geological Concept

Sandstone is situated in the central-northern part of the Southern Cross Granite–Greenstone Terrane of the Yilgarn Craton and lies within the Sandstone greenstone belt (Figure 2.1). The known deposits are orogenic, structurally controlled gold deposits, typical of the Western Australian Goldfields. The Two-Mile Hill deposit is associated with a tonalite intrusive.

2.1.2 Location and Access

The Sandstone project and processing facility is situated 12km south of the township of Sandstone, around 400km northwest of Kalgoorlie and located on a sealed highway between the mining towns of Mt Magnet and Leinster in the East Murchison Mineral Field of Western Australia.

Sandstone town is approximately 720 km by road northeast of Perth, via Mt Magnet. Sandstone is accessible from Kalgoorlie by 510 km of sealed road via Leinster and the Goldfields Highway.

The Sandstone Gold Project consists of the central core tenements M57/128, M57/129 and P57/1395 containing the gold deposits and gold plant surrounded by P57/1442 (Telegraph) 10 km to the west, P57/1384 (Wirraminna) 13 km to the east-southeast, and E57/1102 (Jew Well) centred 10 km to the south of the Sandstone Gold Plant. Various gazetted roads, station and exploration tracks provide access to and within the tenements to the main prospect areas.⁵

The climate is semi-arid, with hot dry summers and cool to cold winters. Exploration and field activities can be undertaken all year-round.

The hottest months are January to March, with temperatures averaging 27°C. The coolest months are June and July, with daytime temperatures averaging 13°C. The average rainfall for Sandstone is 249mm⁶. Tropical cyclones coming from the north-northwest result in occasional thunderstorms resulting in sporadic wet summer months.

⁵ VRM pg 6

⁶ Bureau of Meteorology, 2021

The topography in the vicinity of the Sandstone Gold Project is typically flat to undulating. Altitude ranges from about 400 to 581 m above the Australian Height Datum (AHD).⁷

Landforms of the region are commonly controlled by the underlying rock types. Areas underlain by greenstones are characterized by subdued strike ridges and subrounded hills, whereas areas underlain by granite are characterized by rocky ground, flat pavements, well developed breakaways up to 15 m high, and extensive sand plains. Although most of the prominent ridges are composed of banded iron-formation and chert, some are composed of mafic rocks (e.g., Black Range to the west of E57/1102)⁷.

2.1.3 Aboriginal Heritage, Native Title, and Environment

Burnt Shirt is not qualified to comment on matters relating to Aboriginal Heritage, Native Title, and Environment and relies on public statements made by MDI and others in relation to the validity of Licences and Agreements.

2.1.4 Regional Geology⁷

Sandstone is situated in the central-northern part of the Southern Cross Granite–Greenstone Terrane of the Yilgarn Craton and lies within the Sandstone Greenstone Belt (SSGB).

The regional geology has been described by the GSWA in the Youanmi (SH50-4) 1:250 000 map sheet⁸. The Middle Island Sandstone Gold Project tenements lie both within and to the south of the SSGB (Figure 2.2).

The greenstone belt occupies a triangular area between the north-easterly trending Youanmi Shear Zone and the north-westerly trending Edale Shear Zone, with the northern apex of the triangle at the junction of the shear zones, and the southern margin disrupted by granite intrusions (Figure 2.3). The triangle is approximately 40 km along its southern margin, and 35 km from south to north.

Greenstones are locally well exposed in the western, eastern, and south-eastern parts, with the best exposure in the Black Range (around MGA 712136E 6887178N). Exposure is poor in the centre and south, with extensive areas of laterite, colluvium, and sheetwash.

The greenstone belt is characterized by widespread ultramafic rocks, with its southern margin intruded by several large granite plutons. The Archaean lithostratigraphy of the greenstone belt is controlled by the regional-scale Sandstone Syncline⁹.

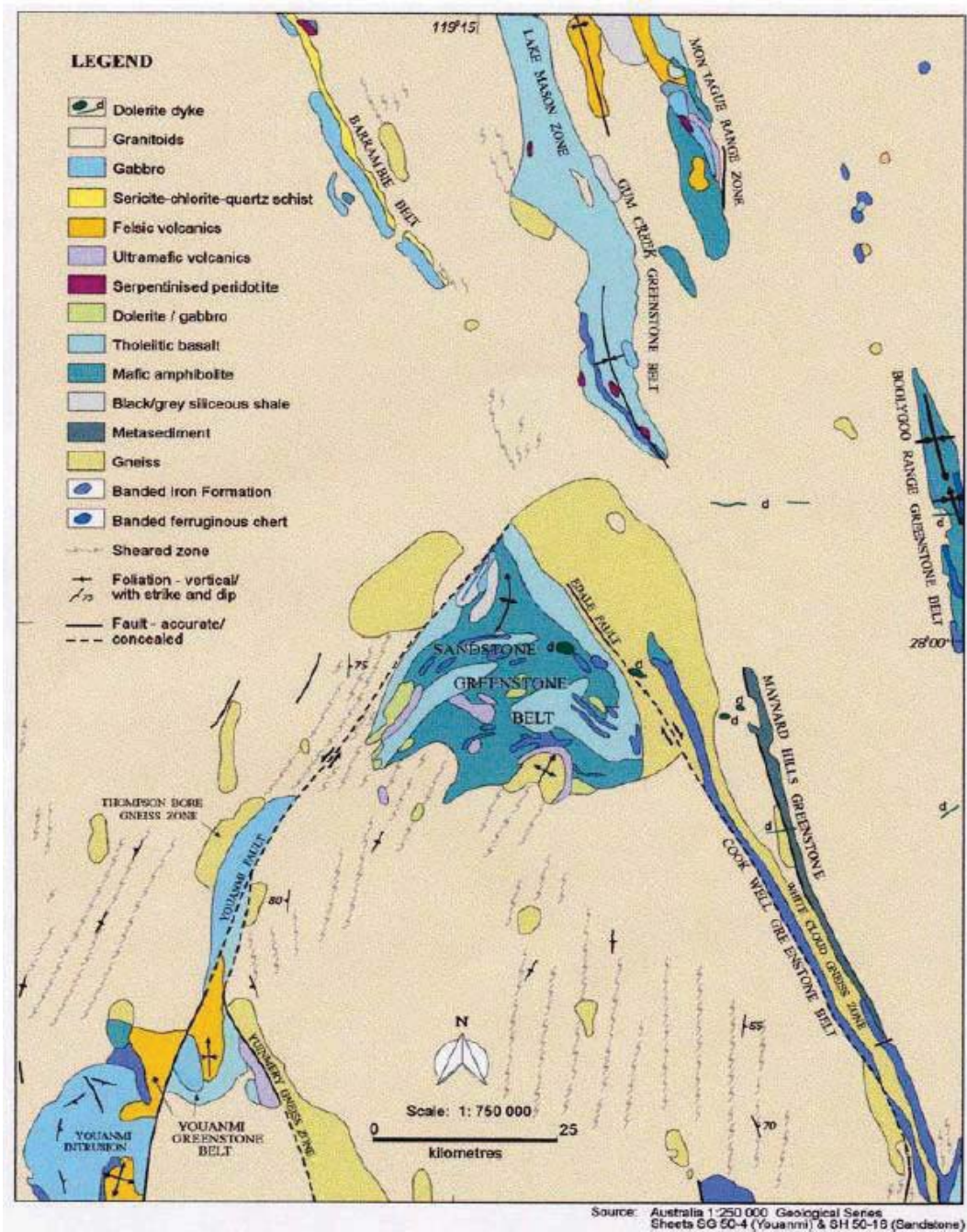
A mafic-dominated succession is preserved on the limbs of the syncline, and contains abundant banded iron-formation, chert, and a major unit of tremolite–chlorite(–talc) schist (Figure 2.1). An ultramafic-dominated succession of komatiites, and fine-grained clastic sedimentary rocks are in the central-southern part and the northern apex of the greenstone belt, respectively. Both are structurally higher than and appear to be discordant with, the mafic-dominated succession, but their exact stratigraphic relationship with the latter remains unclear due to poor exposure and structural complexity⁹.

⁷ VRM pg 7

⁸ Stewart, 1993

⁹ Chen, 2005

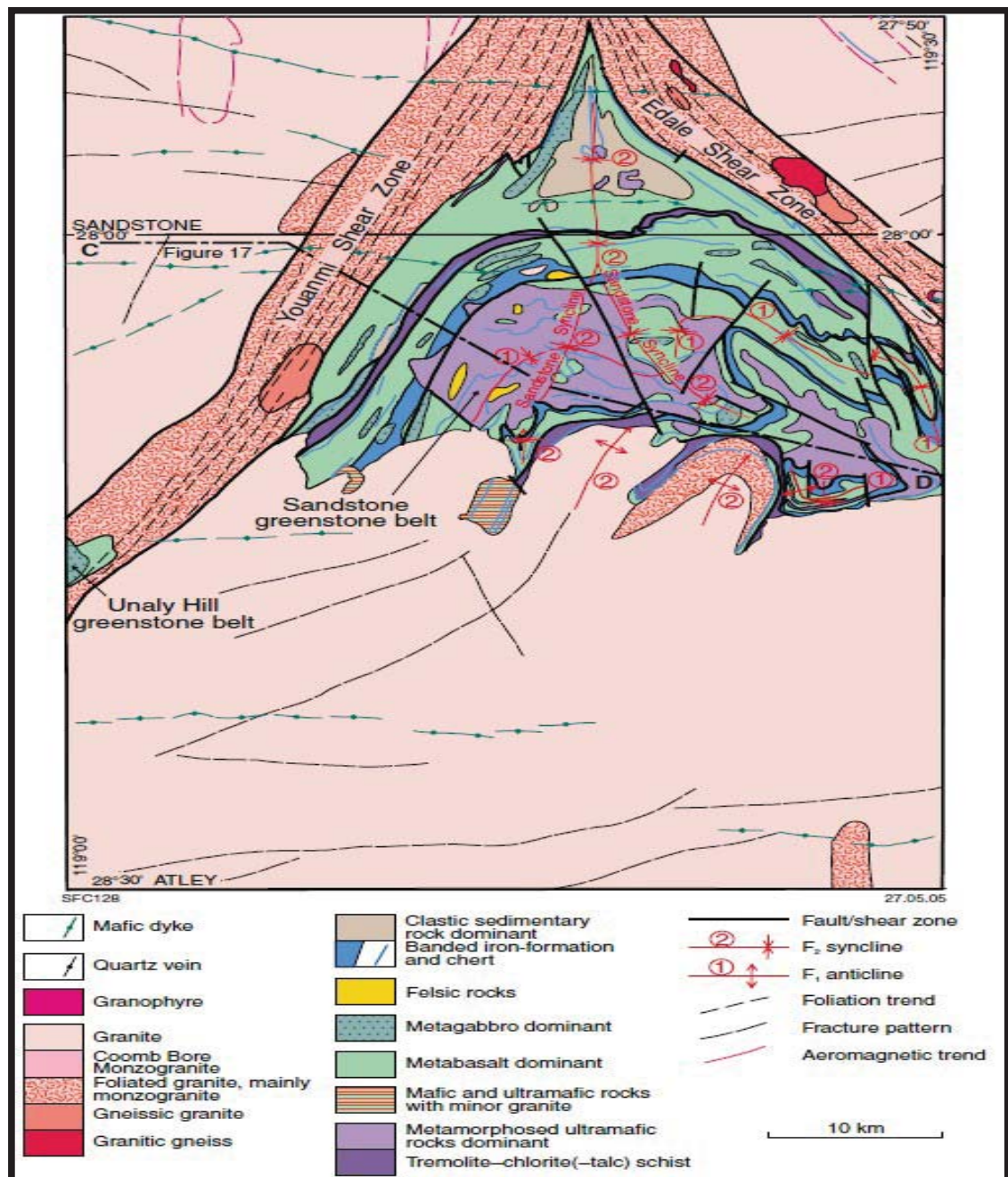
Figure 2.2 Geology and structural components of the Sandstone-Greenstone Belt



Source: GSWA

North-south compression during D1 produced layer-parallel foliation, thrusts, and originally east-trending folds, particularly a regional-scale F1 syncline that is outlined by a prominent unit of banded iron-formation and chert.

Figure 2.3 Interpreted bedrock geological map of ATLEY and southern SANDSTONE



Source: GSWA Regional mapping Chen, S.F (2005)

East-west shortening during D2 produced the regional-scale, doubly plunging Sandstone Syncline with a box-fold geometry, and other north- to north-northeast-trending, macroscopic to mesoscopic folds in greenstones, and a northerly trending gneissic banding in granitic gneiss. Progressive and inhomogeneous east-west shortening in D3 produced the northwest-trending, sinistral Edale and Youanmi Shear Zones, and the northeast-trending, dextral Youanmi Shear Zone.

All Archaean greenstones and granitic rocks in the area have been metamorphosed⁹. In the medium- to low-grade (amphibolite to mid- greenschist facies) marginal zones are characterized by high-strain, dynamic-style metamorphism, whereas the low to very-low grade central zone is characterized by low-strain, static-style metamorphism. Most granitic rocks show evidence of only low-grade metamorphism, although medium to high-grade metamorphism may have taken place in granitic gneiss⁹.

Most of the MDI Sandstone Gold Project deposits are located within the western portion of the ultramafic-dominated succession rocks in the central-southern part of the Sandstone greenstone belt (Figure 2.3).

Extensive areas of the MDI tenure have soil or transported cover.

2.1.5 Previous Exploration¹⁰

Sandstone and Wirraminna (M57/128, M57/129 and P57/1395)

Substantial gold exploration programs have been conducted in the Sandstone Greenstone Belt from the 1970s until the present. Both Herald and Troy completed detailed gold exploration work between 1989 and 2010, including extensive drilling within the MDI Sandstone Mining Lease areas.

MDI acquired the project in 2016 and has subsequently completed several extensive due diligence and reverse circulation (RC) drill programs focused on delineating gold deposits, upgrading resources, extending known gold mineralisation, and exploring for new deposits. Aircore (AC) drilling was used for interface (palaeo-surface) sampling of exploration targets.

Much of these tenements have soil or transported cover. Historic surface soil geochemical exploration in these areas is of limited value. Auger and AC drilling has been used to locate and investigate geochemical targets beneath cover, particularly along strike from known mineralisation, and over areas of aeromagnetic anomalism.

Jew Well (E57/1102)

Historic exploration activity, principally comprising broad spaced soil sampling across the northern third of the tenement, airborne geophysical surveys, and several broad spaced lines of shallow RAB and vacuum drilling, also focussed on the northern third of the tenement. Several magnetic targets were identified by Troy Resources but remained untested.

Auger drilling at 400m by 100m grid pattern was used to investigate one of two areas of aeromagnetic anomalism signifying underlying greenstone terrain. These areas of magnetic anomalism were named the North and Central targets. Auger holes ranged from 1m to 14m in depth and targeted the interface (palaeo-surface) zone for sampling below the transported cover.

Drilling at the Central Target revealed weak gold associated with the ultramafic. A 2km long zone of elevated nickel geochemistry from portable pXRF analysis of drill samples indicated some potential of the underlying ultramafic rocks to host a nickel deposit. The North target is yet to be evaluated.

Telegraph (P57/1442)

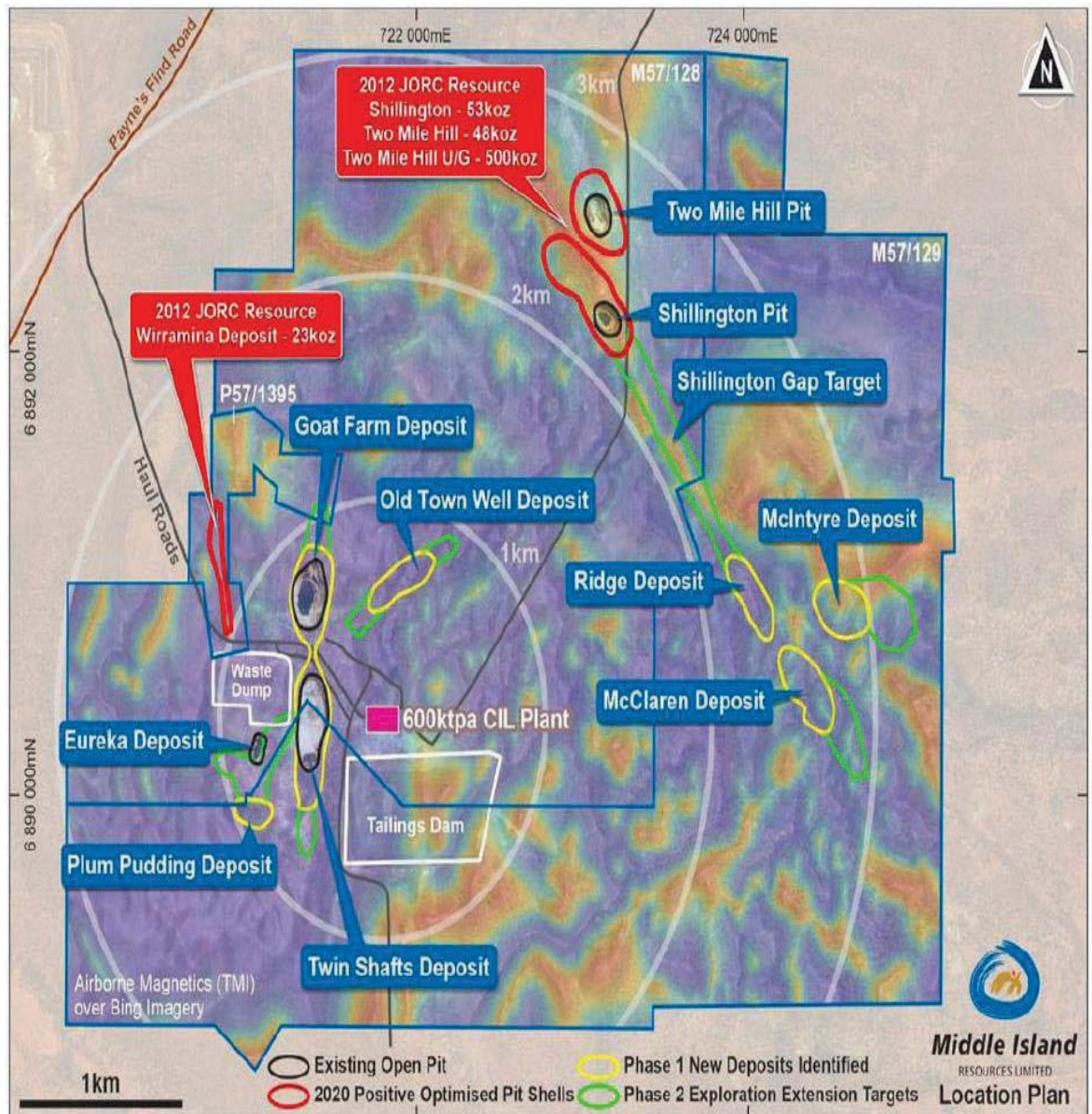
Previous exploration at this licence is unknown.

¹⁰ VRM pages 12-14

Wirraminna (P57/1384)

MDI conducted exploration programs including geological mapping, rock chip sampling, and soil sampling over this tenement. Three cohesive gold in soil anomalies have been identified. These coincide with historic workings. Follow-up RC drilling was considered to be warranted (Figure 2.4).

Figure 2.4 Open pit gold deposits and prospects - 2020 drilling campaign



Source: MDI ASX release 19 April 2021

2.1.6 Prospectivity¹¹

GSWA researchers have summarised the geological characteristics of the main deposits within the greenstone belt¹². Higher grade mineral deposits of lower tonnage tend to occur within discrete structures within dolerite, ultramafic and mafic volcanic rocks (Twin Shafts - Goat Farm deposits) and BIF (Shillington deposit) associated with veins within shear hosted, gently to steeply dipping quartz reefs less than 5m in width yet up to 500m along strike. Whereas higher grade bulk tonnage deposits are usually associated with stockwork and sheeted vein-type arrays in felsic intrusions (Two Mile Hill tonalite). Strong structural controls are dominant in all the known deposits.

The Two-Mile Hill Tonalite Deeps deposit comprises an ovoid (elongate north-south), intrusive tonalite stock some 250m long and up to 90m wide at surface that plunges steeply to the west. The intrusive appears to be ubiquitously mineralised to at least 713m depth and remains open below this depth. Gold mineralisation is associated with sheeted quartz veining comprising two, essentially sub-horizontal, vein sets. Coarse free gold is frequently evident in quartz veins, often associated with galena. Quartz veining is associated with pervasive sericite-carbonate alteration, frequently accompanied by disseminated pyrite¹³.

Gold mineralisation at the Two-Mile Hill BIF deeps deposit is hosted within a series of stacked BIF units, which dip at approximately 40° towards the northeast and are intruded by the Two-Mile Hill Tonalite. Gold mineralisation is associated with massive to semi-massive pyrite replacement of magnetite horizons within the BIF units, commonly proximal to zones of oblique quartz veining and/or brecciation. Although rarely visible, petrographic evidence indicates that the gold is relatively coarse and is developed along fractures within pyrite grains or along pyrite grain boundaries¹³. The disposition of thick, higher grade gold intervals within the BIF appears to be primarily controlled by proximity to the intrusive contact with the Two-Mile Hill Tonalite.

¹¹ VRM

¹² Davies et al, 2019

¹³ MDI ASX release, 14 April 2020

3 MINERAL RESOURCE ESTIMATES

Mineral Resources have been estimated for ten deposits at MDI's Sandstone Gold Project and expressed at a 0.5g/t Au cut-off (Table 3-1). These Mineral Resource estimates total 784,300oz gold, including the Two-Mile Hill underground Mineral Resource Estimate, of 500,000oz gold (Figure 2.4).

Mining Plus Pty Ltd conducted an independent estimate of the Two-Mile Hill Deeps deposit, comprising both the Tonalite Deeps and BIF Deeps components. The Tonalite Deeps deposit was previously classified as an Exploration Target¹⁴, extending from the base of the quantified open pit Mineral Resources at 140m below surface to 700m depth, below which gold mineralisation potential remains open.

The deepest diamond drillhole completed to date at the Two-Mile Hill Tonalite Deeps deposit is 713m (MSDD156), returning a mineralised intercept of 508.3m at 1.38g/t Au from the commencement of coring at 83.7m depth, including 160m at 2.31g/t Au from 432m depth¹⁵.

The smaller, but immediately adjacent, BIF Deeps deposit at Two Mile Hill comprises higher grade mineralisation hosted by a series of moderately northeast dipping banded iron formations (BIFs) intruded by the tonalite, where gold mineralisation is associated with pyrite replacement of magnetite horizons.

The Competent Persons for these Mineral Resource estimates are Mr Brett Gossage of EGRM Consulting Pty Ltd, Mr Shaun Searle of Ashmore Advisory Pty Ltd and Ms Lisa Bascombe of Mining Plus Pty Ltd (Table 3-1)¹⁶.

VRM considers that there is an error in MDI's statements (Table 3-1) and the total Inferred material has not been updated to account for the Inferred material from the recently announced Eureka Mineral Resource estimate, whereas the total Indicated material was updated. The total Inferred material should, in VRM's opinion, be 16,441 kt at a grade of 1.1g/t Au for 576,100oz of contained gold. Burnt Shirt concurs with this opinion.

There are no Ore Reserves currently reported in relation to the MDI Sandstone Gold Project.

Table 3-1 Sandstone Mineral Resource estimates at 0.5%g/t cut-off¹⁶

Sandstone Open Pit Deposits – Summary Mineral Resource Estimates (2012 JORC Code) at 0.5g/t cut-off									
Deposit	Indicated			Inferred			Total		
	Tonnes kt	Au g/t	Au Oz	Tonnes kt	Au g/t	Au Oz	Tonnes kt	Au g/t	Au Oz
Two Mile Hill ¹⁷	1,901	1.1	66,000	178	0.8	5,000	2,078	1.1	71,000
Shillington ¹⁸	1,440	1.2	57,200	830	1.1	29,300	2,270	1.2	86,500
Wirraminna ¹⁸	300	1.3	12,100	280	1.1	9,700	580	1.2	21,800
Old Town Well ¹⁹	282	1.0	8,800	68	0.6	1,400	351	0.9	10,100
Plum Pudding ¹⁹	384	1.1	13,100	35	0.9	1,100	419	1.1	14,100
Eureka	340	0.9	9,700	221	0.9	6,500	561	0.9	16,200
Twin Shafts ²⁰	149	1.0	4,700-	37	0.7	900	186	0.9	5,600

¹⁴ MDI ASX release, 29 November 2017

¹⁵ MDI ASX release, 14 November 2017

¹⁶ MDI 2021 Annual Report

¹⁷ MDI ASX release dated 14 December 2016

¹⁸ ASX Release dated 24 July 2020

¹⁹ ASX Release dated 21 October 2020

²⁰ ASX Release dated 2 October 2020

Goat Farm ²⁰	-	-	-	398	1.0	13,200	398	1.0	13,200
McIntyre ²⁰	496	1.2	19,400	67	0.9	1,900	562	1.2	21,300
Ridge ²¹	173	1.2	6,700	67	1.9	4,000	240	1.4	10,700
McClaren ²¹	236	1.4	10,600	60	1.7	3,200	296	1.5	13,800
Open Pit (subtotal)	5,701	1.1	208,300	2,241	1.0	76,100	7,941	1.1	284,300
Sandstone Underground Deposits – Summary Mineral Resource Estimates (2012 JORC Code)*									
Two Mile Hill ²²	-	-	-	14,000	1.1	480,000	14,000	1.1	480,000
Two Mile Hill BIF ²¹	-	-	-	200	3.1	20,000	200	3.1	20,000
Underground subtotal	-	-	-	14,200	1.1	500,000	14,200	1.1	500,000
Total	5,701	1.1	208,300	16,220	1.2	569,600	22,141	1.1	784,300

Source: Middle Island 2021 Annual Report The totals have been rounded to reflect the relative uncertainty of the estimates, which may result in arithmetic discrepancies.

* The Two-Mile Hill Tonalite Deeps and BIF Deeps have been reported within optimised wireframes. All wireframes include waste and have an aggregate grade at or above the cut-off of 0.64g/t Au.

Burnt Shirt has examined the public Mineral Resource estimates and considers the description of the estimation input data and estimation methodology is reasonable and offers sufficient confidence to support a Valuation Opinion.

²¹ ASX Release dated 17 November 2020

²² ASX Release dated 14 April 2020

4 VALUATION OPINION

4.1 Considerations

Mineral assets are defined in the VALMIN Code as *"all property including, but not limited to real property, mining and exploration tenements held or acquired in connection with the exploration, the development of and the production from those tenements together with all plant, equipment and infrastructure owned or acquired for the development, extraction and processing of minerals in connection with those tenements."*

The VALMIN Code defines the Market Value of a mineral asset as *"the estimated amount of money (or the cash equivalent of some other consideration) for which the mineral asset should change hands on the valuation date between a willing buyer and a willing seller in an arms-length transaction, wherein each party has acted knowledgeably, prudently and without compulsion"*.

The VALMIN Code describes the Market Value of a mineral asset as consisting of two components: the underlying, or Technical Value and the Market component, which is a premium or discount relating to market, strategic or other considerations. Depending on circumstances at the time, the Market component can be either positive, negative or zero. When the Technical and Market components of value are added together the resulting value is referred to as the Market Value.

The value of mineral assets is time and circumstance specific. The asset value and the market premium (or discount) changes, sometimes significantly, as overall market conditions and sentiment, commodity prices, exchange rates, political and country risk change. Other factors that can influence the valuation of a specific asset include the size of the company's interest, whether it has sound management and the professional competence of the asset's management. All these issues can influence the market's perception of a mineral asset over and above its Technical Value.

4.2 Valuation Methods

The VALMIN Code refers to several valuation methodologies in common use²³ and refers to publications hosted by the OneMine Global Library²⁴.

4.2.1 Mineral Assets with Mineral Resources and Ore Reserves

Where Mineral Resources and/or Ore Reserves have been defined, Burnt Shirt's approach is to excise them from the mineral property and to value them separately on a value per resource tonne/metal unit basis (market-based approach) where appropriate, discounts are applied to the estimated contained metal .or based on a discounted cash flow and net present value (income-based approach, DCF and NPV, respectively). The value of the exploration potential of the remainder of the property can then be assessed.

4.2.2 Mineral Assets in the Exploration Stage

When valuing an exploration or mining property, the Practitioner is attempting to arrive at a value that reflects the potential of the property to yield a mineable Ore Reserve and which is, at the same time, in line with what the property will be judged to be worth when assessed by the market

²³ VALMIN Code, Clause 8.2

²⁴ www.onemine.org

The resulting judgement reflects the Practitioner's previous geological experience, local knowledge of the area, knowledge of the market and no two Practitioners are likely to have identical opinions on the merits of a particular property and therefore their assessments of value are likely to differ, sometimes markedly.

The most commonly employed methods of exploration asset valuation are:

- Multiple of Exploration Expenditure method (exploration based) also known as the premium or discount on costs method or the appraised value method
- Joint Venture Terms method (expenditure based)
- Geoscience Rating methods such as the Kilburn method (potential based)
- Comparable Market Value method (real estate based).

Each of these methods has advantages and disadvantages. Most The Practitioner must be cognisant of actual transactions taking place in the industry in general to ensure that the value estimates are realistic.

In Burnt Shirt's opinion, a Practitioner charged with the preparation of a tenement valuation must consider a range of technical issues as well as make a judgement about the market. Key technical issues that need to be considered include:

- Geological setting of the property
- Results of exploration activities on the tenement
- Evidence of mineralisation on adjacent properties
- Proximity to existing production facilities of the property.

Kilburn Geoscience Rating Method

The Kilburn Geoscience Rating method is based on the base acquisition cost (BAC) which is the average cost incurred to acquire a base unit area of tenement and to meet statutory commitments for a period of 12 months. Different Practitioners use differing approaches to calculate the BAC, which vary according to the mining tenement: exploration licence, prospecting licence, and mining lease.

The method systematically assesses and grades four key technical attributes of a tenement (off-property, on-property, anomaly, and geology) to arrive at a series of multiplier factors. The multipliers are then applied to the BAC of each tenement with the values being multiplied together to establish the overall technical value of each mineral property. The fifth factor, the market factor, if required, is then multiplied by the Technical Value.

The successful application of this method depends on the selection of appropriate multipliers that reflect the tenement's prospectivity.

In Burnt Shirt's view, the acquisition and holding costs of a tenement for one year provides a reasonable and consistent BAC and presumes that when an explorer initially pegs a tenement, it has been judged to be worth at least the acquisition and holding cost.

Burnt Shirt's multipliers and the criteria for Kilburn rating selection are summarised in Appendix A.

Comparable Market Value

When there are known recent transactions concerning properties of a similar nature, then a Comparable Market Value approach is typically applied.

As no two mineral assets are the same, the Practitioner must be cognisant of the quality of the assets in the comparable transactions, with specific reference to:

- Nature of the mineralisation
- Proximity to infrastructure such as an existing mill, roads, power, water, skilled workforce, equipment, etc.
- Likely discovery costs
- Likelihood of economic viability
- Nature of the transactions.

4.2.3 Multiple Valuation Approaches

Burnt Shirt's view is that no single valuation approach should be used in isolation, as each approach has its own strengths and weaknesses. Where practicable, Burnt Shirt undertakes its valuations using a combination of valuation techniques to help form its opinion. Valuation by multiple approaches is obliged by the VALMIN Code²⁵ unless there are salient reasons for not doing so.

²⁵ VALMIN Clause 8.3

5 VALUATION OPINION PARAMETERS

Burnt Shirt has formed its opinion on the value of MDI's assets using a combination of a modified Kilburn approach to value the exploration potential and a market-based approach to value the published Mineral Resource estimates. This is supported by an analysis of comparable market transactions identified from a commercially available database of such transactions and observation of MDI's market capitalisation as at the Valuation Date.

5.1 Comparable Transactions

To establish a benchmark Market Value for Western Australian gold Mineral Resources and properties, Burnt Shirt has relied on a subscription database²⁶ to complete a search of the publicly available information on recent market transactions involving such projects over the preceding three years (Table 5-1). Burnt Shirt's search is not intended to be a definitive listing of all market transactions in this period, but a list of transactions which offer comparability to MDI in terms of the state of the Mineral Assets as a whole.

Burnt Shirt has selected nine broadly comparable projects from around 110 potentially comparable projects. Projects were selected based on the presence of a Mineral Resource of any classification greater than 400koz in size and a publicly described transaction for 100% of the project in question. Burnt Shirt has not established a value per square kilometre of holding from this selection.

Analysis of the transactions returned a range of values from \$2/oz to \$70/oz with a median value of \$15.89 (15.9)/oz and a mean value of \$21/oz (Table 5-1 and Table 5-2). No recovery factor has been applied to the contained gold calculation, Burnt Shirt's reasoning being that this would be factored into the price paid in the relevant transaction.

Burnt Shirt has calculated averages weighted by the contained gold metal and the Mineral Resource tonnes reported for each deposit.

Table 5-1 Comparable transactions

Project	Buyer/Target	Consideration (A\$ M)	Completion date	Gross Resource (Mt)	Grade (g/t Au)	Contained metal (koz)	100% basis (A\$/oz Au)
Menzies	Kingwest Resources Limited/Menzies and Goongarrie projects	12.01	18/09/2019	10.9	1.35	0.47	25
Andy Well	Latitude Consolidated Limited/Andy Well Mining Pty Ltd	8.00	16/02/2021	1.8	8.70	0.50	16
Kookynie	Genesis Minerals Limited/Kookynie project	14.47	12/01/2021	19.5	1.25	0.78	18
Nullagine	Novo Resources Corporation/Millennium Minerals Limited	81.73	7/09/2020	22.9	1.60	1.18	70
Ashburton Regional	Kalamazoo Resources Limited/Mt Olympus project	5.00	24/08/2020	20.8	2.50	1.67	3

²⁶ www.snl.com.

Mount Monger	Black Cat Syndicate Limited/Fingals and Rowe's Find projects	6.87	1/07/2020	33.4	3.40	3.65	2
--------------	--	------	-----------	------	------	------	---

Source: SNL

Table 5-2 Comparable transactions simple statistics

Analysis – all data	A\$/oz Au
Maximum	69.54
Minimum	1.88
Average	22.33
Contained metal weighted average	15.60
Median	17.00

5.1.1 Transaction summaries

Menzies

Kingwest Resources Ltd. (Kingwest) acquired a 100% interest in the Western Australian Menzies and Goongarrie projects from Horizon Minerals Ltd. Kingwest paid A\$1.75 million in cash, issued 20 million shares of its common stock and paid A\$1.625 million in cash and issued 10,833,333 shares of its common stock as a non-contingent future payment.

Andy Well

Latitude Consolidated Ltd. (Latitude) acquired Andy Well Mining Pty Ltd (Andy Well) from Silver Lake Resources Ltd. (Silver Lake). Andy Well owns the Western Australian Andy Well and Gnaweeda projects. Latitude paid A\$8 million in cash to acquire Andy Well from Silver Lake. In addition, the Andy Well project is subject to 1% net smelter return royalty payable on gold production to prospector Scott Wilson and the Gnaweeda project is subject to A\$5 per ounce of gold poured, capped at A\$1 million in favour of Archean Star Resources and 8.8% net profit interest in favour of Teck Australia.

Kookynie

Genesis Minerals Ltd. (Genesis) acquired the West Australian Kookynie project from an investor group comprised of A&C Mining Investment Pty Ltd and Ms. Yijun Zhu. Genesis paid A\$12.5 million in cash and issued 26,595,745 shares of its common stock. Furthermore, Genesis Minerals Ltd. also granted a 1.0% net smelter return to the vendors on future gold production, capped at A\$5.0 million.

Nullagine

Novo Resources Corp. of Vancouver (Novo) acquired Millennium Minerals Ltd. from Singapore-based IMC Pan Asia Alliance Pte Ltd. (IMC) Novo paid A\$60.3 million worth of its units, each unit comprised of one common share and one-half of one common share purchase warrant. Novo also agreed to pay IMC a deferred fee on future gold production of 2% of all gold revenue up to a cumulative gold production of 600,000 ounces or cumulative payments of A\$20 million.

Ashburton Regional

Kalamazoo Resources Ltd. (Kalamazoo) paid A\$5.0 million cash on mining of the first 250,000 tonnes of ore to acquire the West Australian Mt Olympus project from Northern Star Resources Ltd. In addition to this, Kalamazoo Resources Ltd. issued a 2.0% net smelter royalty on the first 250,000oz of gold produced (worth an estimated A\$12.5 million using the current spot gold price of A\$2,500/oz), with a 0.75% NSR on any subsequent gold produced from the tenements. The same NSR's also apply on any other metals produced from the tenements. Furthermore, there is a pre-existing 1.75% royalty on gold production (excluding the first 250,000oz), applicable across the project, with all Heritage and Mining Agreements in place with Native Title parties.

Mount Monger

Black Cat Syndicate Ltd. (Black Cat) acquired the West Australian Fingals and Rowe's Find projects from Silver Lake Resources Ltd. Black Cat paid A\$50,000 in cash and issued 8,417,962 shares worth 6.819M to acquire a 100% interest. The consideration shares are subject to voluntary escrow restrictions for a period of 12 months from the date of issue.

5.2 Base Acquisition Cost

The BAC for a mineral exploration project usually considers both rent and expenditure commitments. In the absence of set minimum expenditures for other Australian states, Burnt Shirt has referred to the current Western Australian schedule of rates for mineral properties²⁷ and has used this as a proxy for its BAC, representing the cost of application, administration and annual rent per block for the properties in question (Table 5-3).

Table 5-3 Burnt Shirt MDI BAC - WA

Tenement type	Burnt Shirt abbreviation	BAC (A\$)	Unit of area
Exploration Licence	EL	1,141.00	blocks
Mining Lease	ML	120.00	Ha
Prospecting Licence	PL	42.75	
Exploration Licence Applications	ELA	50% discount	

Burnt Shirt has adapted the Kilburn approach, using its own prospectivity multipliers, which have been developed from experience in the Australian context.

Burnt Shirt's practice is to discount Applications by half to recognise the uncertainty related to grant.

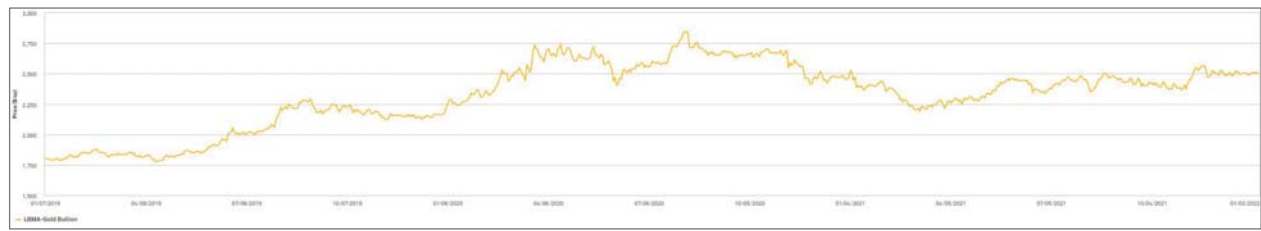
5.3 Gold Price

Burnt Shirt observes that the A\$ gold price has recently been relatively stable in the year preceding the Valuation Date (Figure 5.1).

In Burnt Shirt's observation, positive Australian gold production sentiment has not translated into premiums being paid for exploration and development projects, with capital being attracted to projects already in production. Consequently, Burnt Shirt considers that MDI's assets are being sold into a broadly neutral market for gold exploration projects.

²⁷ <http://dmp.wa.gov.au/Minerals/Mining-acts-fees-and-charges-16494.aspx>.

Figure 5.1 One year A\$ gold price



Source: SNL

6 VALUATION OPINION RESULTS

6.1 Exploration Potential

In valuing the exploration potential, Burnt Shirt has considered the history of exploration at the Sandstone projects that has not resulted in the formal reporting of an Ore Reserve, despite the presence of processing infrastructure. Burnt Shirt has also considered the production history of Sandstone and the potentially significant gold Mineral Resource discovered there. Burnt Shirt considers that there is potential for further mineralisation to be found.

The value of the exploration potential for MDI's tenure has been determined using the Geoscientific method, as described in Section 4.2.2

On this basis, Burnt Shirt estimates the Technical Value of the exploration potential of the tenements to be within a range of **A\$4.3 million to A\$10.4 million**, with a Preferred Technical Value of **A\$4.9 million** near the lower end of this range (rounded from Table 6-1)

Table 6-1 Sandstone Kilburn Technical Value

Sandstone ML's															
Lease	Area		BAC (A\$)	Share	Off property		On property		Anomaly		Geology		Lower	Upper	Preferred
ML 57/128	974	ha	116,934	100%	2.0	2.5	2.5	3.0	2.0	2.5	2.0	2.5	2,339,000	5,481,000	2,653,000
ML 57/129	997	ha	119,616		2.5	3.0	2.0	2.5	2.0	2.5	1.5	2.0	1,794,000	4,486,000	2,063,000
Subtotal													4,133,000	9,967,000	4,716,000
Sandstone EL's															
EL 57/1102	30	block	34,230	100%	2.0	2.5	1.5	2.0	1.5	2.0	0.8	0.9	123,000	308,000	142,000
Subtotal													123,000	308,000	142,000
Sandstone PL's															
PL 57/1384	100	ha	4,277	100%	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	4,000	22,000	6,000
PL 57/1395	41	ha	1,737		3.0	3.5	2.5	3.0	2.0	2.5	2.0	2.5	52,000	114,000	58,000
PL 57/1442	52	ha	2,227		1.0	1.5	1.0	1.5	1.0	1.5	0.5	0.6	1,000	5,000	1,000
Subtotal													57,000	141,000	65,000
Total													4,313,000	10,416,000	4,923,000

6.2 Mineral Resource

Burnt Shirt has taken the market value of the in-ground resource implied by the Comparable Transactions (refer Section 5.1 above) and derived a dollar-per-ounce gold equivalent factor that it has applied to the contained ounces from the relevant Mineral Resource estimates for MDI's deposits (refer Sections 1.6 and 3 above).

Burnt Shirt has not separated the value of the underground Two Mile Hill Mineral Resource estimate from implied open pit production, considering that the market value of the Comparable Transactions accounts for this.

From the range of comparable transactions (refer Section 5.1 above), Burnt Shirt has used the median comparable transaction value per ounce of the reported Mineral Resource estimates of A\$17 per ounce as its lower multiplier. The average of A\$22 per ounce has been used as the upper multiplier. Burnt Shirt's Preferred Value lies at the lower end of this range at A\$17 per Mineral Resource ounce. The lower end of the range has been chosen in the absence of an identified development strategy and Ore Reserve estimate.

These values have been used to multiply the implied gold content of each Mineral Resource (Table 6-2) Table 6-2 Mineral Resource Valuation Opinion calculations

No metallurgical recovery factor has been applied and metallurgical recoveries were not considered in the comparable transaction values. The reasoning is that the parties to each transaction have accounted for metallurgical performance at the time of the transaction.

Table 6-2 Mineral Resource Valuation Opinion calculations

Deposit	Category	kt	Au (g/t)	Share	Net contained koz	Lower Value (A\$)	Upper Value (A\$)	Preferred Value (A\$)
Old Town Well	Indicated	282	1.00	100%	9,066	154,000	203,000	154,000
	Inferred	68	0.60		1,312	22,000	29,000	22,000
Plum Pudding	Indicated	384	1.10		13,580	231,000	303,000	231,000
	Inferred	35	0.90		1,013	17,000	23,000	17,000
Twin Shafts	Indicated	149	1.00		4,790	81,000	107,000	81,000
	Inferred	37	0.70		833	14,000	19,000	14,000
Goat Farm	Inferred	398	1.00		12,795	218,000	286,000	218,000
McIntyre	Indicated	496	1.20		19,135	325,000	427,000	325,000
	Inferred	67	0.90		1,939	33,000	43,000	33,000
Ridge	Indicated	173	1.20		6,674	113,000	149,000	113,000
	Inferred	67	1.90		4,093	70,000	91,000	70,000
McClaren	Indicated	236	1.40		10,622	181,000	237,000	181,000
	Inferred	60	1.70		3,279	56,000	73,000	56,000
Two Mile Hill	Inferred	14,000	1.10		495,097	8,417,000	11,060,000	8,417,000
Two Mile Hill – BIF	Inferred	200	3.10		19,932	339,000	445,000	339,000
TOTAL		16,652	1.13		604,160	10,271,000	13,495,000	10,271,000

Burnt Shirt has arrived at an estimated range of Technical Values for MDI's reported Mineral Resources of **A\$10.3 million to A\$13.5 million**, with a Preferred Value at the lower end of this range of **A\$10.3 million** (rounded from Table 6-3), in the absence of an Ore Reserve and defined development strategy.

Table 6-3 Mineral Resources Technical Value - Summary

Project	Lower (A\$ M)	Upper (A\$ M)	Preferred (A\$ M)
Old Town Well	0.18	0.23	0.18
Plum Pudding	0.25	0.33	0.25
Twin Shafts	0.10	0.13	0.10
Goat Farm	0.22	0.29	0.22
McIntyre	0.36	0.47	0.36
Ridge	0.18	0.24	0.18
McClaren	0.24	0.31	0.24
Two Mile Hill	8.42	11.06	8.42
Two Mile Hill – BIF	0.34	0.45	0.34
Total	10.27	13.50	10.27

6.3 Secondary Valuation Technique

Burnt Shirt has examined the Comparable Transactions and observes that the transactions all involve well defined Mineral Resources in areas with a history of production.

On a 100% basis, Burnt Shirt observes that Mt Olympus represents the lower end of the range (at A\$5 million) and Nullagine the upper end (at A\$82 million). The median of the range is A\$10M and the average of the range is A\$21 million.

Burnt Shirt consequently considers that these values broadly support its Valuation Opinion of MDI's Mineral Resources and the Exploration Potential of its projects. This is particularly the case when it is considered that while Andy Well and Nullagine have significant infrastructure, the mines require significant capital investment in Mineral Resource definition and Ore Reserve delineation. Mount Monger and Menzies are undeveloped and requires capital expenditure on development and Ore Reserve delineation.

Burnt Shirt considers that Sandstone is more akin to Andy Well (A\$8M), Kookynie (A\$14M) or Menzies (A\$12M) and consequently considers that it is likely to transact at the upper end of this range.

6.4 Net Value

Burnt Shirt considers the aggregate value of MDI's Sandstone Mineral Assets to be between A\$14 million and A\$24 million, with a Preferred Value of A\$15 million.

6.5 Market Value

Burnt Shirt observes that the enterprise value of MDI as at the Valuation Date was around A\$17 million. Burnt Shirt considers that this value overwhelmingly represents the market's valuation of the Barkly project and that its Sandstone project attracts a minor valuation, given that the MDI share price and enterprise value halved on release of the Sandstone Feasibility Study results²⁸, which up to that point, had been promoted as MDI's flagship project.

Consequently, Burnt Shirt considers that the Market Value implied by MDI's enterprise value prior to 19 April 2021 lies in a range of between A\$12 million and A\$24 million, which broadly supports Burnt Shirt's Technical Value.

²⁸ MDI ASX release, 19 April 2021

ABBREVIATIONS AND UNITS

Abbreviation/unit	Definition
°C	degrees Celsius
A\$	Australian dollar(s)
As	arsenic
ASX	Australian Securities Exchange
Au	gold
BAC	base acquisition cost
BLEG	bulk leach extractable gold
Burnt Shirt	Burnt Shirt Pty Ltd
DCF	discounted cash flow
g/t	grams per tonne
GDA94	Geocentric Datum of Australia 1994
km, km ²	kilometres, square kilometres
m	metre(s)
M	million(s)
mm	millimetre(s)
Mt	million tonnes
NPV	net present value
Aurumin	Aurumin Limited
ppb	parts per billion
ppm	parts per million
US\$	United States of America dollar(s)
IOCG	iron oxide copper-gold
RC	reverse circulation
CuEq	copper equivalent
Zn	zinc
Ag	silver
Co	cobalt
Cu	copper
oz	ounce(s)
g	gram(s)
t	tonne(s)

Appendix A

Burnt Shirt's Kilburn Multipliers and Criteria

Rating	Off-property factor	On-property factor	Anomaly factor	Geological factor
0.1				Generally unfavourable lithology
0.2				Generally unfavourable lithology with structures
				Generally favourable
0.4				Lithology (10 to 20)
0.5			Extensive previous exploration with poor results	Alluvium covered, generally favourable lithology (50)
0.8				Generally favourable lithology (50)
1.0	No known mineralisation	No known mineralisation	No targets outlined	Generally favourable lithology (70)
1.5	Minor workings	Minor workings		Generally favourable lithology
2.0	Several old workings	Several old workings	Several well-defined targets	Generally favourable lithology with structures
2.5	Abundant workings	Abundant workings		
3.0			Several significant sub-economic intersections	Generally favourable lithology with structures along strike of a major mine
3.5	Abundant workings/mines Historical production	Abundant workings/mines Historical production		
5.0	Along strike significant mine(s) with production/reserves	Historical production	Several significant ore grade co-relatable intersections	
10	Along strike very significant mine(s) with production/reserves			




Schedule 3 SPA and SPA Amendments

Please refer to next page.

BINDING SHARE PURCHASE AGREEMENT

Sandstone Gold Project Acquisition

Clause	Terms
1. Parties	<p>1.1 Aurumin Limited (ACN 639 427 099) (ASX: AUN) of C/o SmallCap Corporate, Suite 1, 295 Rokeby Road, Subiaco WA 6008 (Aurumin);</p> <p>1.2 Aurumin Australia Pty Ltd (ACN 639 573 390) of C/o SmallCap Corporate, Suite 1, 295 Rokeby Road, Subiaco WA 6008 (Buyer);</p> <p>1.3 Middle Island Resources Limited (ACN 142 361 608) (ASX: MDI) of Suite 2, 11 Ventnor Avenue, West Perth, WA 6005 (Seller); and</p> <p>1.4 Sandstone Operations Pty Ltd (ACN 611 811 280) of Suite 2, 11 Ventnor Avenue, West Perth, WA 6005 (Target),</p> <p>(together, the Parties).</p>
2. Date	The date of this sale and purchase agreement (SPA) is 7 December 2021 (the Execution Date).
3. Background	<p>3.1 The Seller owns the entire issued capital in the Target, which in turn holds a 100% legal and beneficial interest in the Sandstone Gold Project, including mining, exploration and prospecting tenements, freehold property and a Processing Plant which are located in or within 20km of the township of Sandstone approximately 400km northwest of Kalgoorlie in Western Australia. The Site is the location of the Processing Plant and facilities as located on mining leases M57/128 and M57/129.</p> <p>3.2 The Buyer has agreed to acquire the entire issued capital (Target Shares) of the Target from the Seller (the Acquisition).</p> <p>3.3 This SPA records the terms and conditions on which the Seller has agreed to sell and the Buyer has agreed to acquire the Target Shares.</p>
4. Nature of SPA	The Parties acknowledge and agree that this SPA, in its entirety, is legally binding on the Parties on and from the Execution Date.
5. Sale of Target Shares	<p>5.1 The Seller agrees to sell the Target Shares to the Buyer, and the Buyer agrees to purchase the Target Shares from the Seller, free of any Encumbrance, on the terms and conditions contained in this SPA.</p> <p>5.2 The Seller must sell the Target Shares to the Buyer in accordance with this SPA together with all rights attached to them as at the Execution Date and that accrue between the Execution Date and Completion.</p> <p>5.3 The Buyer and Aurumin acknowledge that the Permitted Encumbrances (other than the Featherweight Deed which must be terminated by Aurumin pursuant to the PMM Option Agreement), are legally binding on the Target and affect the current and future assets, revenues and future minerals production of the Target.</p>

-
- 6. Consideration**
- 6.1 The consideration (**Consideration**) to be paid to the Seller by the Buyer for the sale of the Target Shares is A\$12,000,000, to be satisfied on Completion as follows:
- 6.1.1 (**Completion Payment**): cash payment of A\$6,000,000, payable (in cleared funds) to the Seller Account in accordance with clause 10.3.7); and
- 6.1.2 (**Share Issue**): procuring Aurumin to issue to the Seller (or its nominees) Aurumin Shares (**Consideration Shares**) that have an aggregate value on issue of A\$6,000,000 calculated using the issue price as contemplated by clause 6.2.
- 6.2 The issue price of the Consideration Shares shall be equal to the price per share at which Aurumin Shares are issued pursuant to the Placement or, if the Condition Precedent in clause 7.1.1.1 is waived by Aurumin with the Seller's consent, then at the price which is equal to the volume-weighted average sale price of Aurumin Shares on the securities market operated by ASX over the 10 trading days prior to the Execution Date.
- 6.3 The Consideration shall not be reduced or increased as a result of any payment made or required to be made by any party pursuant to or in connection with any Permitted Encumbrance, other than in respect of a breach of contract the subject of a Permitted Encumbrance by the Seller or the Target which occurs prior to Completion, which will cause a corresponding decrease in the Consideration payable by the Buyer.
-
- 7. Conditions Precedent in the SPA**
- 7.1 The Parties agree that Completion is subject to and conditional upon the satisfaction or waiver (as applicable) of the following conditions (collectively, **Conditions Precedent**):
- 7.1.1 (**Financing**): prior to 5:00pm WST on 15 December 2021 (the **Commitment Date**), Aurumin announcing via the ASX market announcements platform that it has raised \$8 million (or more and all or any of which may be conditional upon Completion occurring) of which:
- 7.1.1.1 at least \$4 million must be committed via a placement (the **Placement**) in respect of which Aurumin has received legally binding documentation; and
- 7.1.1.2 no more than \$5 million may be raised via a Convertible Note (the **Convertible Note** the essential commercial terms of which note were presented to Middle Island by Aurumin during the course of negotiating this SPA in terms of an annexure hereto) in respect of which Aurumin has received legally binding documentation;
- 7.1.2 (**Aurumin Shareholder Approval**): Aurumin having obtained, before 5:00pm WST on 4 February 2022 (the **Cut-Off Date**), all approvals required from its shareholders by the ASX Listing Rules, including, as applicable, approval by a simple majority of shareholders of Aurumin:
-

-
- 7.1.2.1 for the purpose of ASX Listing Rule 7.1, to issue Aurumin Shares (i) if and to the extent required by the Convertible Note; and (iii) as required by clause 6.1.2 (that is, the Consideration Shares);
 - 7.1.2.2 of the Acquisition for the purposes of Listing Rule 11.1.2 of the ASX Listing Rules in relation to the proposed change in either or both of the nature and scale of the activities of Aurumin; and
 - 7.1.2.3 of the acquisition by the Seller (or its nominees) of voting power in Aurumin of more than 20% (if that be the result of the issue of the Consideration Shares) pursuant to item 7 of section 611 of the *Corporations Act 2001* (Cth);
- 7.1.3 **(Seller Shareholder Approval):** the Seller having obtained, before 5:00pm WST on the Cut-Off Date, all approvals required by the ASX Listing Rules, including, as applicable, approval by a simple majority of shareholders of the Seller, of:
- 7.1.3.1 the disposal of its main undertaking for the purpose of ASX Listing Rule 11.2; or
 - 7.1.3.2 the change in either or both of the nature and scale of the activities of the Seller for the purpose of ASX Listing Rule 11.1.2;
- 7.1.4 **(Aurumin Regulatory Approvals):** Aurumin having obtained, prior to 5:00pm (WST) on the Cut-Off Date, all necessary regulatory approvals or consents to give effect to the matters set out in this SPA to allow Aurumin and the Buyer to lawfully complete the Acquisition (being approvals and consents additional to those referred to in clause 7.1.2), including Aurumin having received confirmation and consent in writing from ASX that the Acquisition will not require it to re-comply with Chapters 1 and 2 of the ASX Listing Rules, which confirmation is either unconditional or is subject only to conditions acceptable to Aurumin and the Seller;
- 7.1.5 **(Seller Regulatory Approvals):** Seller having obtained, prior to 5:00pm (WST) on the Cut-Off Date, all necessary regulatory approvals or consents to give effect to the matters set out in this SPA to allow Seller and the Target to lawfully complete the Acquisition (being approvals and consents additional to those referred to in clause 7.1.3);
- 7.1.6 **(Third Party Consents):** the Seller and/or Target having obtained all necessary third-party consents in respect of the Acquisition and which are still required at Completion, including (but not limited to) consents required pursuant to the Permitted Encumbrances and any other consent from third parties (in executed agreements with the Target which include change of control or pre-emptive rights provisions), prior to 5:00pm (WST) on or before the Cut-Off Date;
-

-
- 7.1.7 **(PMM Option Agreement):** the Seller and PMM, prior to 5:00pm (WST) on the Cut-Off Date, having entered into a legally binding option agreement (the **PMM Option Agreement**) in a form satisfactory to Aurumin (acting reasonably) pursuant to which:
- 7.1.7.1 the Seller (and hence Aurumin as the Seller's nominee) is granted the option (the **PMM Option**) to terminate the Deferred Payment Agreement (including the Deferred Payment Rights) and the PMM Security Rights (including the underlying agreements);
 - 7.1.7.2 PMM is required to deliver to the party exercising the PMM Option the PMM Release Documents and register financing change statements discharging all registrations made on the PPSR by PMM in respect of the Deferred Payment Rights and the PMM Security Rights (including against the Target and the Seller), with effect on and from \$200,000 being paid to PMM by Aurumin as the party exercising the PMM Option; and
- 7.1.8 **(2021 ITR):** Aurumin having received, prior to 5:00pm (WST) on the Cut-Off Date, such evidence as it reasonably requires that the 2021 ITR has been lodged with the Tax Authority.
- 7.2 Each Party must use its best efforts to procure satisfaction of the Conditions Precedent as expeditiously as possible.
- 7.3 Subject to clause 7.4, Aurumin must:
- 7.3.1 ensure and procure that each of its directors unanimously recommends the Acquisition to Aurumin's shareholders; and
 - 7.3.2 ensure and procure that each of its directors will at any meeting of shareholders of Aurumin (provided a director is not restricted from voting by force of the ASX listing rules) vote all shares in Aurumin each director holds or controls (directly or indirectly) in favour of the Acquisition and provide proof of compliance herewith if any of the Conditions Precedent requiring Aurumin shareholder approval is not satisfied.
- 7.4 Aurumin is not obliged to procure and ensure that a director of Aurumin recommends the Acquisition to Aurumin's shareholders and votes shares in Aurumin as required by clause 7.3 (and the director is not obliged to do so):
- 7.4.1 if the director no longer supports the Acquisition as a result of a breach by the Seller, or the Target prior to Completion, of any of their respective material obligations pursuant to this SPA; or
 - 7.4.2 if the director has determined in good faith, after having received written advice (from Aurumin's Australian legal adviser having practiced in the area of corporate law for at least 15 years) that recommending the Acquisition to Aurumin's shareholders would constitute a breach of either
-

the fiduciary (under the takeovers provisions of the Corporations Act) or statutory obligations of the director, and provided such legal adviser confirms in writing to the Seller that it has given such advice on an unqualified basis to the director.

- 7.5 Subject to clause 7.6, the Seller must:
- 7.5.1 ensure and procure that each of its directors unanimously recommends the Acquisition to the Seller's shareholders; and
 - 7.5.2 ensure and procure that each of its directors will at any meeting of shareholders of the Seller (provided a director is not restricted from voting) vote all shares in the Seller each director holds or controls (directly or indirectly) in favour of the Acquisition and provide proof of compliance herewith if this obligation is not satisfied.
- 7.6 The Seller is not obliged to procure and ensure that a director of the Seller recommends the Acquisition to the Seller's shareholders and votes shares in the Seller as required by clause 7.5 (and the director is not obliged to do so:
- 7.6.1 if the director no longer support the Acquisition as a result of a breach by the Buyer or Aurumin prior to Completion, of any of their respective material obligations pursuant to this SPA; or
 - 7.6.2 if the director has determined in good faith, after having received written advice (from the Seller's Australian legal adviser practiced in the area of corporate law for at least 15 years), that recommending the Acquisition to the Seller's shareholders would constitute a breach of either the fiduciary (under the takeovers provisions of the Corporations Act) or statutory obligations of the director, and provided such legal adviser confirms in writing to Aurumin that it has given such advice on an unqualified basis to the director.
- 7.7 The Condition Precedent in clause 7.1.8 is for the benefit of the Buyer and may only be waived in writing by the Buyer.
- 7.8 The Condition Precedent in clause 7.1.3 is for the benefit of the Seller and may only be waived in writing by the Seller.
- 7.9 The Conditions Precedent in clauses 7.1.1, 7.1.2, 7.1.3, 7.1.4, 7.1.5, 7.1.6 and 7.1.7 are for the benefit of all Parties and may only be waived by mutual agreement in writing of the Buyer and the Seller.
- 7.10 Each Party must keep the other Parties informed as to the status of the Conditions Precedent and must notify the other Parties as soon as reasonably practicable after any Condition Precedent is satisfied or becomes incapable of being satisfied or has been waived.

8. Break Fees

- 8.1 If Completion does not occur in accordance with clause 10 due to a failure by the Buyer to satisfy or waive the Conditions Precedent in clauses 7.1.1 or 7.1.2 then the Buyer must within 5 Business Days of such termination pay (in cleared funds) a break fee to the Seller Account of \$100,000 as compensation for the Seller incurring legal

fees, due diligence costs and the costs of commissioning an independent expert's report in respect of the Target Assets in connection with the Acquisition.

- 8.2 If Completion does not occur in accordance with clause 10 due to a failure by the Seller to satisfy or waive the Condition Precedent in clause 7.1.3 then the Seller must within 5 Business Days of such termination pay (in cleared funds) a break fee to the Buyer Account of \$100,000 as compensation for the Buyer incurring legal fees, due diligence costs, and costs of commissioning an independent expert's report in respect of the Target Assets in connection with the Acquisition.
- 8.3 This clause 8 survives termination of this SPA.
- 8.4 Any right to receive a payment under clause 8.1 or clauses 8.2 does not limit a party's rights under clause 20.2.2.

9. Interim Period

- 9.1 From the Execution Date until Completion occurs (unless the Buyer has provided its prior written consent) each of the Seller and the Target:
- 9.1.1 **(No Disposal)**: must not Dispose of the Target Shares and must procure that the Target does not Dispose of any of the Target Assets;
- 9.1.2 **(No Encumbrance)**: must not create any Encumbrance over any of the Target Shares or the Target Assets;
- 9.1.3 **(Good Standing)**: subject to clause 9.5, must not do (or omit to do) anything that would jeopardise the validity and good standing of the Tenements or result in the cancellation of any of the Tenements except as required by law or the terms of the Tenement's grant;
- 9.1.4 **(No Security Issues)**: must procure that the Target does not issue or agree to issue (save in favour of the Seller in satisfaction and discharge of the Intercompany Loan by conversion into ordinary shares prior to or at Completion) any new shares or other form of security convertible into shares in the Target; and
- 9.1.5 **(No Material Contracts or Indebtedness)**: must procure that the Target does not enter any material contracts or incur any material indebtedness other than in the ordinary course of business (but not including undertaking any exploration activity or incurring any significant liability without the Buyer's prior written approval not to be unreasonably withheld if the Seller is required to incur expenditure if it is to comply with this SPA including clauses 9.1.4, 9.3 and 9.4).
- 9.2 From the Execution Date until Completion occurs, the Seller must keep the Policy in place and current.
- 9.3 The Seller is responsible for satisfying the Tenement Expenses that are due and payable prior to Completion.
- 9.4 Subject to clause 9.5, from the Execution Date until Completion occurs the Seller is responsible for procuring the Target to ensure

that the Tenement Conditions are not breached, and will allow the Buyer to review and provide input into the drafting of documents required to be lodged with regulatory bodies in respect of the Tenements.

- 9.5 In no circumstance, before or after Completion, shall the Seller be required to:
- 9.5.1 pay or satisfy any Tenement Expenses not due and payable prior to Completion;
 - 9.5.2 undertake or complete at any time any rehabilitation, restoration, reclamation or remediation work on any Tenement pursuant to any Law (including the Tenement Conditions); or
 - 9.5.3 incur any expenditure on or in respect of a Tenement in order to satisfy the expenditure requirement applying to the Tenement during the tenement year current as at the Execution Date,

and the Seller shall not be obliged to procure the Target to do any of the above, or guarantee the Target's performance or satisfaction thereof.

- 9.6 Clause 9.5 survives termination of this SPA.

10. Completion

- 10.1 Completion will occur on the date (the **Completion Date**) that is ten (10) Business Days after the last of the Conditions Precedent is satisfied or waived (as applicable) or such other date and time as agreed between the Seller and Aurumin in writing, but in any event by no later than .
- 10.2 On or before the Completion Date, the Seller must deliver or cause to be delivered to the Buyer:
- 10.2.1 the PMM Option Agreement as properly executed by PMM and the Seller;
 - 10.2.2 written confirmation from the Seller that it is satisfied that all Conditions Precedent have been satisfied or waived;
 - 10.2.3 written confirmation in favour of the Target that the Intercompany Loan will at, on and from Completion be forgiven or converted into shares in the capital of the Target (which shares shall comprise part of the Target Shares acquired on Completion by the Buyer hereunder);
 - 10.2.4 share transfer forms duly executed by the Seller in favour of the Buyer in respect of the Target Shares in registrable form, together with any relevant share certificates held by the Seller in or, if any of the certificates have been lost, stolen or destroyed, a duly executed indemnity in respect of the applicable certificates in favour of the Buyer;
 - 10.2.5 to the extent that the Seller is aware of the quantum of such amounts prior to Completion, written evidence to the satisfaction of the Buyer, acting reasonably, that all amounts payable by the Target in respect of the Excluded Liabilities, have been paid to the relevant person or entity;

-
- 10.2.6 written evidence that all registrations on the PPSR (other than pursuant to Permitted Encumbrances) against the Target Shares, the Target or any Target Asset have been released and discharged;
- 10.2.7 the Insurance Proceeds (if any) received by the Seller in the period between the Execution Date and the Completion Date, by crediting the same to the Buyer Account (in cleared funds);
- 10.2.8 a duly completed authority for the alteration of the signatories of each bank account of the Target to reflect the revocations and appointments notified by the Buyer to the Target prior to the Completion Date;
- 10.2.9 subject to clause 10.11, all Corporate Records and Mining Information, by:
- 10.2.9.1 giving the Buyer possession and control of the storage facility (**Storage Facility**) at which the Corporate Records and Mining Information (including all Troy Mining Information) is located (and the costs of renting that facility shall become the responsibility of the Buyer as from and as a requirement of Completion);
- 10.2.9.2 to the extent they are electronically stored, doing such things as are reasonably requested by the Buyer to procure that the Buyer obtains access to and control of the Corporate Records and Mining Information (including by delivering to the Buyer at Completion an external hard drive containing electronic copies of the same); and
- 10.2.10 details of expenditure incurred on each Tenement by the Target during the tenement year current as at the Completion Date for inclusion in Form 5 reports required to be filed with the Department of Mines, Industry Regulation and Safety;
- 10.2.11 copies of signed resignations of each director, secretary and public officer of the Target, with effect on and from Completion; and
- 10.2.12 a copy of a resolution of the board of directors of the Target resolving that:
- 10.2.12.1 the Intercompany Loan be converted into ordinary shares in the Target or otherwise forgiven by the Seller, on and from Completion (with such equity to be issued at Completion and to comprise part of the Target Shares);
- 10.2.12.2 subject to the Target having received a written consent to act from the then managing director of Aurumin, that person
-

-
- be appointed as sole director of the Target, with effect from Completion; and
- 10.2.12.3 the transfer of the Target Shares to the Buyer be approved and registered in the Target's register of members.
- 10.3 On or before the Completion Date, in exchange for the Seller complying with its obligations pursuant to clause 10.2, the Buyer must:
- 10.3.1 deliver to the Seller a notice of exercise of the PMM Option, given pursuant to the PMM Option Agreement, as properly executed by Aurumin as the Seller's nominee as referred to in clause 7.1.7;
 - 10.3.2 deliver to the Seller proof of payment to PMM by Aurumin of \$200,000 pursuant to and in exercise of the option under the PMM Option Agreement;
 - 10.3.3 deliver to the Seller the document referred to in paragraph (b) of the definition of PMM Release Documents;
 - 10.3.4 deliver to the Target all the other documents referred to in the definition of PMM Release Documents;
 - 10.3.5 deliver to the Seller written confirmation from the Buyer and Aurumin that each is satisfied that all Conditions Precedent have been satisfied or waived;
 - 10.3.6 procure the issue of the Consideration Shares to the Seller (or the Seller's nominees);
 - 10.3.7 pay to the Seller Account the Completion Payment;
 - 10.3.8 deliver to the Seller the duly executed written consent of Aurumin's managing director to act as director of the Target with effect from Completion;
 - 10.3.9 enter the Seller (or the Seller's nominees) in the Buyer's register of members as the holder of the Consideration Shares; and
 - 10.3.10 provide a holding statement in respect of the Consideration Shares to the Seller or, if that is not possible, evidence to the Seller that the Buyer's share registrar has been irrevocably instructed to dispatch (on the Completion Date) a holding statement in respect of the Consideration Shares to the Seller.
- 10.4 In respect of Completion:
- 10.4.1 the obligations of the Parties in this SPA are interdependent; and
 - 10.4.2 all actions required to be performed will be taken to have occurred simultaneously on Completion.
- 10.5 If the Parties do not Complete, then, subject to clauses 8 and 20.2, each Party must:
- 10.5.1 reverse all actions taken in order to effect Completion;
-

-
- 10.5.2 return all documents delivered to it in accordance with this SPA;
- 10.5.3 repay all payments received by it in accordance with this SPA; and
- 10.5.4 do everything reasonably required by any other Party to reverse any action taken in accordance with this SPA.
- 10.6 The obligations pursuant to clause 10.5 survive termination or expiration of this SPA.
- 10.7 The Seller irrevocably agrees (or in relation to its nominees, shall procure the agreement of those nominees) to:
- 10.7.1 be recorded in the Buyer's register of members as being the registered holder of the Consideration Shares to be issued to them; and
- 10.7.2 be bound by the Buyer's constitution.
- 10.8 Within 90 days of Completion the Seller must present written evidence to the satisfaction of the Buyer, acting reasonably, that all amounts payable by the Target in respect of Excluded Liabilities that were not known at Completion and, accordingly, were not paid pursuant to clause 10.2.5, but which become known to the Seller after Completion, have been paid to the relevant person or entity.
- 10.9 Subject to the provisions of this SPA regarding the Insurance Proceeds, the Buyer agrees that no cash or cash equivalent assets will be owned by the Target at Completion.
- 10.10 The Buyer and Aurumin agree that the Seller will not be responsible for any expenses, charges, costs or liabilities in relation to storage, maintenance and/or operation of the Target Assets and the Sandstone Gold Project on and from Completion, including but limited to any document, sample or core storage, power, water, utilities, telecommunications or insurance, and the Buyer shall have to make its own arrangements in this regard.
- 10.11 The Parties acknowledge and agree that:
- 10.11.1 subject to Seller Warranty 2(j), the Seller is bound by confidentiality and non-disclosure agreements entered into by the Seller and third parties, true and correct copies of which have been given to the Buyer where permitted by those agreements, that prevent disclosure by the Seller to Aurumin and the Buyer of certain regional data which is (said by those agreements at least to be) confidential information of the third parties, and in that regard the Seller will not be able to deliver such confidential information to Aurumin and the Buyer (**Excluded Information**);
- 10.11.2 the Seller and its directors, officers and employees (current and former) are entitled to keep their respective existing electronic records and data in existence as at Completion for archival, statutory, compliance and insurance purposes and as necessary in connection with defending any Claims made in connection with this SPA, subject in all cases to the relevant person being bound by obligations of
-

confidentiality in favour of the Target which continue following Completion.

11. Title and Risk

On and from Completion:

- 11.1 and subject to Aurumin discharging its obligation to procure the absolute release and discharge of the Featherweight Charge by exercising the PMM Option, title to the Target Shares (and the beneficial interest in them) will pass to and vest in Buyer, free of any Encumbrances;
- 11.2 risk in the Target Shares and the Target Assets will pass to and vest in the Buyer.

For clarity, nothing in this clause 11 limits the effect of clause 5.3.

12. Insurance Proceeds

- 12.1 The Seller declares that, from Completion, it will hold the benefit of the Insurance Proceeds (to the extent that they are not then paid to the Target as required by this SPA) on trust for the Target.
- 12.2 The Seller must pay (in cleared funds) to the Buyer Account an amount equal to the Insurance Proceeds received by the Seller following Completion (if any) promptly and in any event within 5 Business Days of receipt by the Seller.
- 12.3 The Seller agrees to:
 - 12.3.1 provide Aurumin and the Buyer with all reasonable assistance to ensure that the Buyer and Aurumin receive the full benefit of the Insurance Proceeds with effect on and from Completion, including by the Seller lodging prior to Completion, and progressing until Completion occurs, all insurance claims which have been lodged by the Seller after the Signing Date pursuant to the Policy (including the Marcy Ball Mill Claim); and
 - 12.3.2 keep the Buyer reasonably informed as to the progress of any outstanding insurance claims under the Policy which pertain to the Insurance Proceeds; and
 - 12.3.3 provide the Buyer with reasonable access to a copy of any notice, correspondence or other document relating to the Insurance Proceeds.
- 12.4 The Parties agree that:
 - 12.4.1 the Target is responsible for insuring the Target Assets on and from Completion;
 - 12.4.2 the Seller is not required to make any claim under the Policy in relation to damage or loss of or to any Target Asset that occurs after Completion; and
 - 12.4.3 the Seller is entitled to cancel the Policy (and keep any pro rata refund paid by the insurer) once the Marcy Ball Mill Claim and any other insurance claim lodged by the Seller after the Signing Date pursuant to the Policy in respect of the Target and the Target Assets are finalised and any Insurance Proceeds paid to the Seller have been dealt with as required by this clause 12.

13. Voluntary Escrow

- 13.1 Subject to clause 13.2, the Seller acknowledges and agrees that:
- 13.1.1 the Consideration Shares received pursuant to this SPA will be subject to voluntary escrow for a period of 12 months from the Completion Date (the **Voluntary Escrow Period**);
 - 13.1.2 the Seller must do or procure to be done all such things and sign or procure to be signed all such documents as are required to give effect to the voluntary escrow of the Consideration Shares in accordance with clause 13.1.1; and
 - 13.1.3 Aurumin may request its share registry implement a holding lock on the Consideration Shares until the expiration of the Voluntary Escrow Period.
- 13.2 The escrow of the Consideration Shares is subject to the Seller being released from escrow such that the Seller is entitled to deal with all of the Consideration Shares without restriction (subject to compliance with any mandatory provision in the ASX Listing Rules or the Corporations Act) if:
- 13.2.1 a takeover bid is made for Aurumin or Aurumin enters a scheme of arrangement; or
 - 13.2.2 permitted by the Corporations Act; or
 - 13.2.3 permitted or required by a Court of competent jurisdiction.
- 13.3 The Seller shall, for a period of 12 months from Completion, be entitled to participate in any share placement to raise equity capital by Aurumin on a basis proportionate to Seller's interest in Aurumin as at the date of Aurumin's announcement of the intention to undertake the share placement.

14. Warranties and Representations

- 14.1 For the purpose of this SPA, each Party represents and warrants as follows:
- 14.1.1 the Party is duly incorporated and validly existing pursuant to the laws of the jurisdiction of its organisation or incorporation and, if relevant pursuant to such laws, is in good standing;
 - 14.1.2 the Party has taken all necessary action to authorise the execution, delivery and performance of this SPA in accordance with its terms and, subject to the satisfaction or waiver (as applicable) of the Conditions Precedent, has full power to enter into and perform its obligations pursuant to this SPA;
 - 14.1.3 the execution, delivery and performance by the Party of this SPA, subject to the satisfaction or waiver (as applicable) of the Conditions Precedent, complies with any applicable Law and the constitution or any other constituent documents of the Party; and
 - 14.1.4 no Insolvency Event has occurred in respect of the Party nor have any steps been taken for, or fact, act, matter or circumstances occurred which may be likely to give rise to any steps being taken for such an Insolvency Event.

-
- 14.2 In addition, the Seller warrants that each of the representations and warranties set out in Schedule 1 (**Seller Warranties**) is true and accurate and not misleading or deceptive as at the date of this SPA and immediately prior to Completion.
- 14.3 The Seller must indemnify the Indemnified Persons on the terms set out in this clause 14.3:
- 14.3.1 In this clause the **Indemnified Persons** are the Buyer, Aurumin and, following Completion, the Target.
 - 14.3.2 The indemnity in this clause 14.3 is given subject to the limitations, exclusions and qualifications in clauses 14.4 to 14.10 inclusive.
 - 14.3.3 From Completion the Seller must indemnify and hold harmless each Indemnified Person from and against verifiable losses or liabilities suffered, paid or incurred by the Indemnified Person due to a Seller Warranty being untrue or inaccurate in any respect when warranted by the Seller in accordance with clause 14.2.
 - 14.3.4 The loss and liability included within the indemnity in this clause 14.3 includes Tax Costs incurred after Completion by or on behalf of the Target, the Buyer or Aurumin as a result of a breach of Seller Warranty 8.
- 14.4 The Buyer and Aurumin agree that the Seller and the Target give no representation or warranty whatsoever in relation to any of the following:
- 14.4.1 the prospectivity of any Tenement or the presence of any resource or reserve on any Tenement;
 - 14.4.2 the condition, performance or fitness for purpose of any part of the Processing Plant;
 - 14.4.3 subject to Seller Warranty 5.1, whether any approval, licence or consent will be granted by any government authority or agency to allow operating any part of the Processing Plant;
 - 14.4.4 save as provided for by any Seller Warranty, whether:
 - 14.4.4.1 Native Title exists over any part of the Tenements;
 - 14.4.4.2 the potential impact upon the Tenements of any present or future Native Title claim; or
 - 14.4.4.3 any Aboriginal heritage sites exist within the Tenements;
 - 14.4.5 whether a Tenement may be subject to forfeiture, cancellation or invalidity due to a matter determined by the court in the decision *Forrest & Forrest Pty Ltd v Wilson & Ors* [2017] HCA 30 as making a mining tenement subject to forfeiture, cancellation or invalidity; or
 - 14.4.6 whether or not any Tax loss will be available to the Target or Buyer after Completion.
- 14.5 The Buyer and Aurumin agree that:
-

-
- 14.5.1 no Claim may be made by the Seller after Completion against the Target (or the Buyer or Aurumin) in respect of the Intercompany Loan;
- 14.5.2 in entering into this SPA and in proceeding to Completion, neither Buyer nor Aurumin relies on any statement, representation, warranty, condition, forecast or other conduct which may have been made by or on behalf of the Seller except in the Seller Warranties; and
- 14.5.3 subject to any Law to the contrary and except as provided in this SPA, all terms, conditions, warranties and statements, whether express, implied, written, oral, collateral, statutory or otherwise, are excluded and the Seller disclaims all liability in relation to those excluded items to the maximum extent permitted by Law.
- 14.6 The Seller's liability for all Claims hereunder including under the indemnity contained in clause 14.3 and the guarantee in clause 19 shall be capped to a maximum aggregate liability of \$12 million PROVIDED THAT the Seller's liability for any and all breaches of the Seller Warranties and Claims in respect thereof (including under the indemnity contained in clause 14.3 and the guarantee in clause 19) that are neither Fundamental Warranties nor Tax Warranties shall be capped to a maximum aggregate liability of \$6 million.
- 14.7 No Claim may be brought by the Buyer, Aurumin or the Target against the Seller after 18 months from the Completion Date (including in respect of a breach of Seller Warranty or under the indemnity contained in clause 14.3 and the guarantee in clause 19), other than in respect of:
- 14.7.1 Tax Warranties (including under the indemnity contained in clause 14.3), in relation to which either or both of the Buyer and Aurumin shall be able to make claims against the Seller up to the date that is 4 years from the Completion Date (and for the avoidance of doubt no Claim in respect of a Tax Warranty may be brought by the Buyer, Aurumin or the Target against the Seller after that date, including under the indemnity contained in clause 14.3 or the guarantee in clause 19); and
- 14.7.2 Fundamental Warranties (including under the indemnity contained in clause 14.3), in relation to which either or both of the Buyer and Aurumin shall be able to make claims against the Seller up to the date that is 24 months from the Completion Date (and for the avoidance of doubt no Claim in respect of a Fundamental Warranty may be brought by the Buyer, Aurumin or the Target against the Seller after that date, including under the indemnity contained in clause 14.3 or the guarantee in clause 19).
- 14.8 The Seller Warranties are subject to all facts, matters and circumstances:
- 14.8.1 as Fully and Fairly Disclosed in materials provided or made available to Aurumin or the Buyer prior to the Execution Date;
-

-
- 14.8.2 that would have been disclosed to the Buyer if it had conducted searches, the day before the Execution Date, of records available for public inspection maintained by DMIRS, DWER or ASIC;
- 14.8.3 that would have been disclosed to the Buyer if it had conducted searches in respect of the Seller and the Target in the High Court of Australia, the Federal Court of Australia and the Supreme Court of each Australian State and Territory at 1pm (AWST) on 27 October 2021;
- 14.8.4 discoverable during the site visit undertaken on 22 September 2021 by Aurumin representatives.
- 14.9 The Seller will have no liability under or in respect of the Seller Warranties (including under the indemnity contained in clause 14.3 or the guarantee in clause 19):
- 14.9.1 to the extent that disclosure is made against the Seller Warranties pursuant to clause 14.8.1, or would have been so made if the searches referred to in clauses 14.8.2 and 14.8.3 had been made as referred to in those clauses;
- 14.9.2 for any loss or amount to the extent that loss or amount is special loss or damage, indirect loss or damage or consequential loss or damage;
- 14.9.3 to the extent any loss or amount is provided for in the Accounts;
- 14.9.4 to the extent any loss or amount is due to a change in Laws or the judicial or administrative interpretation thereof after the Execution Date; or
- 14.9.5 in respect of any matter or thing done, or omitted to be done, in accordance with any provision of this SPA or with the prior approval of the Buyer or Aurumin.
- 14.10 Notwithstanding any other provision hereof, the Buyer and Aurumin agree that the Seller's liability for any damage to or loss of the Processing Plant or the Plant and Equipment arising from an insured event occurring after the Signing Date and prior to Completion (in this clause 14.10 "Loss") is limited Insurance Proceeds.
- 14.11 The limitations set out in clause 14.4 to 14.10 (inclusive) will not apply to the extent that the Seller or the Target has acted fraudulently, grossly negligent, dishonestly or deliberately or recklessly in such a way as to render any Seller Warranty misleading, false or deceptive.
- 14.12 Notwithstanding any indemnity given in this SPA, each Indemnified Party acknowledges its common law obligations to seek to mitigate any damage, loss or expense it may suffer or incur and which it may seek to recover pursuant to an indemnity in this SPA.
- 14.13 The following procedure will apply in respect of a Tax Demand made which the Buyer reasonably believes will give rise to a Claim against the Seller pursuant to this SPA:
-

-
- 14.13.1 the Buyer must notify (**Tax Demand Notice**) the Seller of the Tax Demand as soon as reasonably practicable but no later than 5 business days after the same is received by the Buyer, Aurumin or the Target;
- 14.13.2 the Buyer, and following Completion the Target, must take reasonable action (as the Seller reasonably requests, acting in good faith) to make, initiate or maintain a Disputing Action and engage such solicitors, accountants and other advisers as the Seller reasonably requires. The Buyer, and following Completion the Target, must also allow the Seller and its advisers reasonable access to all relevant financial and business records and the accounting personnel of the Buyer and Target and such assistance as is reasonably appropriate in the circumstances for the sole purpose of obtaining information in relation to the Tax Demand or the Disputing Action (provided that the Buyer does not need to disclose anything that is the subject of legal professional privilege or has been prepared for the purpose of or in contemplation of Aurumin, the Buyer or the Target making a Claim against the Seller pursuant to this SPA). The reasonable costs of complying with this clause (14.13.2) shall be borne by the Seller;
- 14.13.3 the Seller must liaise with Aurumin and the Buyer in relation to the conduct of the Disputing Action, provide Aurumin and the Buyer with reasonable access to a copy of any notice, correspondence or other document relating to that Disputed Action and act reasonably in all the circumstances, including, having regard to the likelihood of success and the effect of the Disputing Action on the goodwill or reputation of the Target, Aurumin and the Buyer;
- 14.13.4 the Buyer and the Target must not agree to pay, settle or compromise a Tax Demand or discontinue a Disputing Action without the prior written consent of the Seller, which consent must not be unreasonably withheld or delayed;
- 14.13.5 if the Seller does not advise Aurumin pursuant to clause 14.13.6 that it wishes to contest the Tax Demand, then the Seller must pay to the Buyer Account (in immediately available funds) the amount demanded in the Tax Demand by the later of:
- 14.13.5.1 2 Business Days before the due date for payment to the Tax Authority; and
 - 14.13.5.2 15 Business Days after receipt by the Seller of the relevant Tax Demand Notice;
- 14.13.6 following receipt by the Seller of a Tax Demand Notice, the Seller may, by written notice to Aurumin, no later than 15 Business Days after the Tax Demand Notice is given, advise Aurumin and the Buyer that it wishes to contest the Tax Demand;
- 14.13.7 the action requested by the Seller under clause 14.13.2 is deemed to be unreasonable if the Buyer obtains the written
-

unqualified advice of an appropriately briefed and qualified tax practitioner that is independent of all Parties and has at least 10 years relevant experience, to the effect that the action does not have a reasonable chance of success and provides a copy of that unqualified advice to the Seller;

14.13.8 the Buyer and Target may agree to pay or settle a Tax Demand or discontinue a Disputing Action without the prior written consent of the Seller if the Buyer obtains the written unqualified advice of an appropriately briefed and qualified tax practitioner that is independent of all Parties and has at least 10 years relevant experience, to the effect that the Disputing Action no chance of success and provides a copy of that unqualified advice to the Seller; and

14.14 Clause 14 survives termination of this SPA.

15. Public Announcement

15.1 Except for an announcement or other disclosure required by law or the rules of a relevant stock exchange, no public announcement may be made by a Party or its Related Bodies Corporates (as defined in the Corporations Act) in relation to this SPA unless the text of the announcement or disclosure has been approved by the other Parties, which approval must not be unreasonably withheld or delayed.

15.2 To the extent that an announcement or other disclosure in relation to this SPA (or the matters or transactions referred to herein) is required by law or the rules of the ASX, the Parties must, where reasonably practicable, endeavour to agree the wording of such announcement or disclosure before it is made. Nothing in this clause 15 is intended to delay or prevent a Party or its Related Bodies Corporate from complying with its continuous disclosure obligations under the ASX Listing Rules.

16. Confidentiality

16.1 This SPA (including the entry into this SPA) and all other information disclosed by the Parties to each other in connection with the Acquisition (**Confidential Information**) is confidential and each Party must ensure that the Confidential Information remains confidential, except that the Parties may make disclosure to their relevant advisors, as otherwise required by the law, the ASX Listing Rules or as otherwise agreed in writing.

16.2 This clause 16 survives termination of this SPA.

17. Tax Returns

17.1 Subject to clause 17.3, the Seller at its own cost and expense has the sole conduct and control of the preparation and filing of all Tax returns of the Target in respect of any periods ending on or before Completion (**pre-Completion returns**).

17.2 Without limiting the Seller's obligations to file Tax returns pursuant to clause 17.1, the Seller must, if required by law, lodge the "Stub Period" Income tax return for the period 1 July 2021 to Completion within 3 months of Completion (**Stub Return**).

17.3 The Seller agrees to allow the Buyer to review and comment on the drafting of the Stub Return.

	17.4	The Buyer at its own cost and expense has the sole conduct and control of the preparation and filing of the Tax returns of the Target in respect of any period commencing on or after Completion.
	17.5	The Parties agree to provide each other with reasonable assistance and access to records and documents (including all electronic records and documents) required to prepare and lodge Tax returns in accordance with this clause 17.
18. Aurumin Guarantee	18.1	In consideration of the Seller agreeing to sell, and the Buyer agreeing to buy, the Target Shares on the terms and conditions set out in this SPA, Aurumin unconditionally and irrevocably guarantees to the Seller: <ul style="list-style-type: none"> 18.1.1 the due and punctual performance of the Buyer's obligations and liabilities under this SPA; and 18.1.2 the obligations of the Buyer to give consideration, pay any moneys, debt or monetary liability to the Seller under this SPA or arising out of any claim by the Seller against the Buyer in connection with this SPA, including any damages payable (Buyer Owed Amount).
	18.2	If the Buyer fails to perform or delays performing its obligations under this SPA or fails to pay or delays paying any Buyer Owed Amount when it is due and owing, Aurumin must immediately on demand from the Seller itself perform or cause the Buyer to perform the Buyer's obligations under this SPA and itself pay that Buyer Owed Amount.
	18.3	As a separate and additional liability, Aurumin indemnifies the Seller and holds the Seller harmless against all loss suffered or incurred by, or claim made against, the Seller in relation to the failure or delay of: <ul style="list-style-type: none"> 18.3.1 the Buyer to perform its obligations under this SPA; 18.3.2 Aurumin to cause the Buyer to perform its obligations under this SPA; or 18.3.3 the Buyer to pay, or any delay in the Buyer paying, any Buyer Owed Amount.
	18.4	The guarantee and indemnity set out in this clause is a continuing guarantee. Aurumin's obligations under the guarantee and indemnity in this clause 18 are absolute, unconditional and irrevocable and Aurumin remains liable under this clause 18 even if: <ul style="list-style-type: none"> 18.4.1 the Buyer suffers an Insolvency Event; 18.4.2 the Seller, for any reason, has not exercised or does not exercise all or any of its rights or powers against the Buyer; 18.4.3 the Seller grants any time or other indulgence or concession to the Buyer; 18.4.4 the Seller compounds, compromises, releases, abandons, waives, varies, relinquishes or renews any of its rights against the Buyer, or waives or amends any provision of this SPA; or 18.4.5 Aurumin suffers an Insolvency Event.

-
- 18.5 The liability of Aurumin under the guarantee and indemnity set out in this clause 18 extends to and is not affected by any circumstance, act or omission which, but for this clause 18.5 might otherwise affect it at law or in equity.
- 18.6 Aurumin's obligations under the guarantee and indemnity set out in this clause 18 are principal obligations and are not to be treated as ancillary or collateral to any other right or obligation.
- 18.7 Clause 18.6 is enforceable against Aurumin without the Seller first being required to exhaust any remedy it may have against the Buyer or any third party, or enforce any security the Seller may hold relating to the obligations in this clause 18.
- 18.8 The obligations of Aurumin pursuant to this clause 18 are discharged to the extent that the Buyer timeously discharges its obligations pursuant to this SPA.
-

**19. Seller
Guarantee**

In consideration of the Buyer agreeing to buy the Target Shares and Aurumin guaranteeing the Buyers obligations and liabilities hereunder both on the terms and conditions set out in this SPA, the Seller unconditionally and irrevocably guarantees to the Buyer:

- 19.1 the due and punctual performance of those of the Target's obligations under this SPA as must be satisfied prior to Completion (a **Target Pre-Completion Obligation**).
- 19.2 If the Target fails to perform a Target Pre-Completion Obligation, the Seller must immediately on demand from the Buyer itself perform the Target Pre-Completion Obligation to the extent it is lawfully able to do so.
- 19.3 As a separate and additional liability, the Seller indemnifies the Buyer and holds the Buyer harmless against all loss suffered or incurred by, or claim made against, the Buyer in relation to the failure of the Target to perform a Target Pre-Completion Obligation.
- 19.4 The guarantee and indemnity set out in this clause 19 is a continuing guarantee. The Seller's obligations under the guarantee and indemnity in this clause 19 are absolute, unconditional and irrevocable and the Seller remains liable under this clause 19 even if:
- 19.4.1 the Seller suffers an Insolvency Event;
- 19.4.2 the Buyer, for any reason, has not exercised or does not exercise all or any of its rights or powers against the Target;
- 19.4.3 the Buyer grants any time or other indulgence or concession to the Target;
- 19.4.4 the Buyer compounds, compromises, releases, abandons, waives, varies, relinquishes or renews any of its rights against the Target, or waives or amends any provision of this SPA; or
- 19.4.5 the Target suffers an Insolvency Event.
- 19.5 The liability of the Seller under the guarantee and indemnity set out in this clause 19 extends to and is not affected by any circumstance, act or omission which, but for this clause 19.5 might otherwise affect it at law or in equity.
-

	19.6	The Seller's obligations under the guarantee and indemnity set out in this clause 19 are principal obligations and are not to be treated as ancillary or collateral to any other right or obligation.
	19.7	Clause 19.6 is enforceable against the Seller without the Buyer first being required to exhaust any remedy it may have against the Seller or any third party, or enforce any security the Buyer may hold relating to the obligations in this clause 19.
	19.8	The obligations of the Seller pursuant to this clause 19 are discharged to the extent that the Target has discharged its obligations pursuant to this SPA.
20. Termination	20.1	Either Aurumin or the Seller may terminate this SPA immediately, by providing written notice to the other of them: <ul style="list-style-type: none"> 20.1.1 if Aurumin or the Buyer (in the case of termination by the Seller) or the Seller or the Target (in the case of termination by Aurumin): <ul style="list-style-type: none"> 20.1.1.1 defaults in the due observance or performance of any of its obligations pursuant to this SPA; and 20.1.1.2 does not remedy the breach within 5 Business Days after the receipt of notice in writing from Aurumin or the Seller (as applicable) to remedy the default; or 20.1.2 if any Condition Precedent is not satisfied (or becomes incapable of being satisfied) and is not waived (as applicable) in accordance with clause 7.
	20.2	On termination of this SPA: <ul style="list-style-type: none"> 20.2.1 subject to clauses 8 and 20.2.2, the Parties will be released from their obligations pursuant to this SPA except those which are expressed or by their nature are intended to survive termination; and 20.2.2 each Party retains the rights it has against the other Party in respect of any breaches of this SPA that occurred prior to termination.
	20.3	Clause 20.2 survives termination of this SPA and prevails over inconsistent provisions.
21. Costs		Each Party must bear its own costs for the preparation, execution, delivery and performance of this SPA and any transactions or ancillary documents contemplated therein (including the costs of professional advisers).
22. Taxes	22.1	The Parties acknowledge and agree that GST is not expected to apply to the Acquisition. If GST does apply, the recipient of the supply must pay the supplier an additional amount in cash equal to the GST payable on the supply, subject to having received a GST tax invoice.
	22.2	Notwithstanding any inconsistent provision herein, all Duty, registration fees, transfer fees and taxes (other than income tax of the Seller) assessed or payable on the Acquisition, in respect of the SPA and the PMM Option shall be paid by the Buyer.

23. Notices

23.1 Each notice authorised or required to be given to a Party shall be in writing in the English language and may be delivered personally or sent by properly addressed prepaid mail or email in each case addressed to the Party at its address or email address set out below (or as subsequently amended by notice in writing in accordance with this SPA):

23.1.1 in the case of Aurumin, the Buyer and, for the period on and from Completion, the Target:

Attention: Brad Valiukas

Address: both of the following addresses:

(A) Suite 2, Ground Floor, 17 Ord Street, West Perth WA 6005; and

(B) PO Box 446 Subiaco WA 6904 Australia.

Email: brad.valiukas@aurumin.com.au

23.1.2 in the case of the Seller and, for the period up to Completion, the Target:

Attention: Brad Marwood

Address: both of the following addresses:

(A) Suite 2, 2 Richardson St, West Perth 6005; and

(B) PO Box 1017 West Perth 6872 Australia

Email: both of the following addressees:

(A) brad@middleisland.com.au

(B) damian@whlaw.com.au

23.2 Any notice given pursuant to this SPA will be conclusively deemed to have been received:

23.2.1 in the case of personal delivery, on the actual day of delivery;

23.2.2 if sent by mail, four Business Days (in the addressee's jurisdiction) from and including the day of posting; or

23.2.3 if sent by email, one Business Day after the date shown on the email of the sender, unless:

23.2.3.1 the sender receives an automated notification that the email has not been received by the intended recipient, in which case the notice is deemed to not have been served at the time of sending; or

23.2.3.2 receipt is acknowledged by the recipient sooner than one Business Day, in which case the notice is deemed to have been served at the time the receipt is acknowledged,

but if the delivery or receipt is on a day that is not a Business Day in the addressee's jurisdiction or is after 5:00 pm (addressee's time) it is regarded as received at 9:00 am on the following Business Day in the addressee's jurisdiction.

24. Assignment	None of the Parties may assign any of the rights or obligations conferred by this SPA without the prior written consent of Aurumin (in the case of the Target or the Seller) or the Seller (in the case of Aurumin or the Buyer).
25. Entire Agreement	This SPA embodies and contains the entire agreement between the Parties and the SPA supersedes any prior negotiation, arrangement, understanding or agreement with respect to the subject matter of this SPA.
26. Governing Law and Jurisdiction	This SPA is governed by the laws of Western Australia and the Parties irrevocably and unconditionally submit to the non-exclusive jurisdiction of the Courts of that State and any Courts which have jurisdiction to hear appeals from any of those Courts and waives any right to object to any proceedings being brought in those Courts.
27. Severance	If any provision of SPA is invalid and not enforceable in accordance with its terms, then that provision shall be severed from this SPA for the period it is so unenforceable but all other provisions which are self-sustaining and capable of separate enforcement without regard to the invalid provision shall be and continue to be valid and forceful in accordance with their terms.
28. Variation	No modification, amendment or other variation of this SPA shall be valid or binding on a Party unless made in writing duly executed or signed by or on behalf of that Party.
29. Waiver	<p>29.1 No waiver or relaxation, partly or wholly, of any of the terms and conditions of this SPA shall be valid or binding on a Party unless in writing and duly executed or signed by or on behalf of that Party.</p> <p>29.2 The failure by a Party to enforce at any time or for any period any one or more of the terms and conditions of this SPA shall not be a waiver of those terms and conditions nor of the right at any time subsequent to enforce all of the terms and conditions of this SPA.</p>
30. Legal, tax and financial advice	Each Party acknowledges that before signing this SPA it received independent legal, tax and financial advice as to the meaning and effect of the SPA.
31. Further Assurances	<p>Each Party promptly must execute all documents and do all things that any other Party from time to time reasonably requires of it to effect, perfect or complete the provisions of this SPA and any transaction contemplated by it (including the Buyer and Aurumin providing to the Seller written support for scrip for scrip roll-over relief in favour of the Seller if requested by the Seller).</p> <p>It is the intent of the Parties to expedite Completion as far as possible.</p> <p>Aurumin will use its best commercial endeavours to satisfy the Financing condition precedent via an equity raising on terms acceptable to Aurumin acting reasonably.</p>
32. Counterparts	This SPA may be executed in any number of counterparts. All of those counterparts, taken together, constitute one and the same instrument. Exchange of executed PDF copies shall constitute delivery of this SPA and a complete document.

33. Definitions

In this SPA, unless the context otherwise requires:

2021 ITR means the income tax report of the Target in respect of the financial year commencing on 1 July 2020 and ending on 30 June 2021.

Accounting Principles means the applicable accounting standards and practices required by the Corporations Act.

Accounts means the balance sheet in respect of the Target as at 30 September 2021 and the profit and loss statement in respect of the Target for the 3 month period ended 30 September 2021 as set out in Annexure A.

Acquisition has the meaning given in clause 3.2.

ASX means ASX Limited (ACN 008 624 691) or, where the context requires, the securities market operated by it.

ASX Listing Rules means the listing rules of ASX.

Aurumin Capital Raising means the capital raising to be conducted by Aurumin prior to Completion, including the Placement and the Convertible Note.

Aurumin Shares means unencumbered fully paid ordinary shares in the capital of Aurumin and quoted on the securities market operated by ASX.

BOK means between Black Oak Minerals (In Liquidation) (Receivers and Managers Appointed).

Business Day means a day other than a Saturday, Sunday or other public holiday in Perth, Western Australia.

Buyer Account means the following bank account of the Buyer (or such other account as nominated by the Buyer to the Seller prior to the relevant date of payment):

Account Name:	Aurumin Limited
Bank:	Commonwealth Bank of Australia
Bank Address:	Shop 1/95 William Street, Perth WA 6000
Account No:	10436502
BSB No:	066 103
SWIFT No:	CTBAAU2S

Claim means any cause of action, claim, proceeding, right of set off, complaint, judgment, enforceable award or order for payment of any amount or any other relief whatsoever.

Completion means completion of the Acquisition in accordance with clause 10.

Completion Date has the meaning given in clause 10.1.

Completion Payment has the meaning given in clause 6.

Conditions Precedent has the meaning given in clause 7.1.

Consideration has the meaning given in clause 6.

Consideration Shares has the meaning given in clause 6.

Convertible Note has the meaning given in clause 7.1.1.2.

Corporate Records means all hard copy originals of records, documents, books, files, reports, accounts, plans, correspondence, letters and papers in the possession or control of the Seller or the Target belonging or relating to or used by the Target (other than the Mining Information and email correspondence).

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

Cut-Off Date has the meaning given in clause 7.1.2.

Deferred Payment Agreement means the Permitted Encumbrance specified in paragraph (d) of Schedule 2.

Deferred Payment Rights means all rights and obligations of PMM under the Deferred Payment Agreement.

Dispose means the disposal or agreement to dispose, directly or indirectly through another person, by any means, including by granting an option, decreasing any beneficial or economic interest or disposing of all or any part of, whether by way of assignment, novation, declaration of trust or otherwise.

Disputing Action means, in respect of a Tax Demand, any action to cause the Tax Demand to be withdrawn, reduced or postponed or to avoid, resist, object to, defend, appear against or compromise the Tax Demand and any judicial or administrative proceedings arising out of that action.

Duty means any stamp, document, transaction or registration duty or similar charge imposed by any government agency and includes any interest, fine, penalty, charge or other amount imposed in respect of the above but excludes any Tax.

Encumbrances means any third party interests and any royalty, mortgage, lien, charge, pledge, caveat, contract, assignment by way of security, security interest, title retention, preferential right or trust arrangement, claim, covenant, lease, pre-emptive right or any other right, interest, claim or demand of any third party or any agreement or arrangement having the same effect.

Excluded Liabilities means the liabilities listed in Schedule 3.

Excluded Information has the meaning given in clause 10.11.1.

Execution Date has the meaning given in clause 2.

Featherweight Deed means the Permitted Encumbrance specified in paragraph (f) of Schedule 2.

Fully and Fairly Disclosed means, in relation to a fact, matter or circumstance means that sufficient information has been disclosed such that an investor experienced in transactions of the nature of the Acquisition would be aware of the scope, substance and significance of the information.

Fundamental Warranties means the warranties contained in Seller Warranties 1, 2(a) to 2(c) (inclusive), 3(a) to 3(c) (inclusive), 6, 8 and 9 of Schedule 1.

GST means goods and services tax.

Hired Items means chattels, equipment and items rented, leased, hired or not otherwise owned by the Target, such as gas bottles and mains power poles, which one would ordinarily expect to be held under licence (or similar) or not to be vested in the Target.

Insolvency Event means:

- (a) a receiver, manager, receiver and manager, trustee, administrator, controller or similar officer is appointed in respect of a person or any asset of a person;
- (b) a liquidator or provisional liquidator is appointed in respect of the corporation;
- (c) any application (not being an application withdrawn or dismissed within seven (7) days) is made to a court for an order, or an order is made, or a meeting is convened, or a resolution is passed, for the purposes of appointing a person referred to in paragraphs (a) or (b) of this definition, winding up a corporation; or proposing or implementing a scheme of arrangement;
- (d) a moratorium of any debts of a person, or an official assignment, or a composition, or an arrangement (formal or informal) with a person's creditors, or any similar proceeding or arrangement by which the Target Assets of a person are subjected conditionally or unconditionally to the control of that person's creditors or a trustee, is ordered, declared, or agreed to, or is applied for and the application is not withdrawn or dismissed within seven (7) days;
- (e) a person becomes, or admits in writing that it is, is declared to be, or is deemed pursuant to any applicable law to be, insolvent or unable to pay its debts; or
- (f) any writ of execution, garnishee order, mareva injunction or similar order, attachment, distress or other process is made, levied or issued against or in relation to any asset of a person.

Insurance Proceeds means the benefit of the net proceeds (after excesses and deductibles) received by the Seller in respect of:

- (a) the Marcy Ball Mill Claim; and
- (b) any other insurance claim lodged by the Seller after the Signing Date pursuant to the Policy in respect of the Target and the Target Assets.

Intercompany Loan means the intercompany loan between the Target (as borrower) and the Seller (as lender) which is recorded in Annexure A as a negative non-current Asset of the Seller (item number 16030).

Law means principles of law or equity established by decisions of courts, statutes, regulations or by-laws of a country, a state, a territory or a government agency and requirements and approvals (including conditions) of a country, a state, a territory or government agency that have the force of law.

Marcy Ball Mill Claim means an insurance claim lodged by the Seller pursuant to the Policy which relates to an approximately 1m x 1m hole cut into the Marcy ball mill on or about June 2021.

Mining Information means all mining and tenement related information in the possession or control of the Target or the Seller in relation to the Tenements and the adjacent mineral area (including regional data), including all intellectual property rights owned by the Target or the Seller in that information and all data, studies, assessments, reports and documents from field work and other study work completed by the Target or the Seller in relation to the Sandstone Gold Project including, but not limited to,

information and data in order to be able to prepare documentation and apply for regulatory approvals in relation to commencing (or recommencing) mining and operation of the Processing Plant at the Site (but excluding email correspondence which are not material to the Tenements or Processing Plant).

Permitted Encumbrances means the Encumbrances listed in Schedule 2.

Placement has the meaning given in clause 7.1.1.

Plant and Equipment means the items of property, plant, machinery and equipment, vehicles and leasehold improvements, together with all additions and accessories in relation to the aforementioned, to the extent the same are owned by the Target (for clarity, excluding Hired Items).

PMM means Polymetals Mining Limited (Receivers and Managers Appointed) or its assignee or successor in title.

PMM Release Documents means the following documents, all of which must be executed by PMM and must be fully operative from and upon PMM being paid \$200,000 by Aurumin pursuant to the PMM Option Agreement, namely:

- (a) a properly executed and binding deed of release and undertaking to amend in respect of all registrations made on the PPSR against the Target by PMM in respect of the Deferred Payment Rights and the PMM Security Rights;
- (b) a properly executed and binding deed of release and undertaking to amend in respect of all registrations made on the PPSR by PMM against the Seller in respect of the Deferred Payment Rights and the PMM Security Rights;
- (c) properly executed and registrable withdrawals of all mortgages registered against the Properties by PMM;
- (d) properly executed and registrable withdrawals of all mining mortgages registered against the Tenements by PMM; and
- (e) properly executed and registrable withdrawals of all caveats registered against the Tenements by PMM.

PMM Option has the meaning given in clause 7.1.7.

PMM Option Agreement has the meaning given in clause 7.1.7.

PMM Security Rights means all rights and obligations of the holder of the securities granted pursuant to the Permitted Encumbrance specified in paragraphs (e), (f), (g) and (h) of Schedule 2.

Policy means the theft insurance policy held by the Seller.

Processing Plant means the gold processing and treatment plant located at the Site.

Properties means, collectively:

- (a) Lots 149, 150, 151, 152, 157, 158, 159 and 160 on Deposited Plan 223094;
- (b) Lots 507, 537 and 538 on Deposited Plan 223093; and
- (c) Lot 300 on Diagram 92979,

and fixtures and chattels on those properties other than Hired Items.

PPSA means the *Personal Property Securities Act 2009*.

PPSR means the register maintained under the PPSA.

Related Body Corporate or **Related Bodies Corporate** has the meaning given to that term in the Corporations Act.

Sandstone Gold Project means, collectively, the Tenements and the Properties.

Seller Account means the following bank account of the Seller (or such other account as nominated by the Seller to the Buyer prior to the relevant date of payment):

Account Name:	Middle Island Resources Ltd
Bank:	National Australia Bank
Bank Address:	UB 12.01, 100 St Georges Terrace Perth, WA 6000
Account No:	169940268
BSB No:	086492
SWIFT No:	NATAAU33

Signing Date means the date of execution of the Term Sheet, namely 2 November 2021.

Site has the meaning given in Background paragraph 3.1.

SPA means this binding sale and purchase agreement.

Storage Facility has the meaning given in clause 10.2.9.2.

Target Assets means all of:

- (a) the Tenements;
- (b) the Processing Plant;
- (c) the Plant and Equipment;
- (d) the Properties;
- (e) the Mining Information;
- (f) the Insurance Proceeds; and
- (g) the Corporate Records.

Target Shares has the meaning given in clause 3.2.

Tax means any tax, royalty, levy, charge, impost, fee, deduction, compulsory loan or withholding and GST which is assessed, levied, imposed or collected by any Tax Authority and includes, without limitation, any interest, fine, penalty, charge, fee or other amount imposed in respect of the above but excludes any Duty.

Tax Authority means any government, administrative, municipal, statutory, fiscal or judicial body, department, commission, authority, tribunal or agency, responsible for the collection of any Tax or Duty or administration of any Law in respect of Tax or Duty including, without limitation, any overseas bodies with similar functions or powers.

Tax Costs means all costs and expenses reasonably incurred in managing an inquiry or conducting any Disputing Action in relation to a Tax Demand.

Tax Demand means:

- (a) a demand or assessment from a Tax Authority requiring the payment of any Tax or Duty which the Seller is liable to pay under this SPA; or
- (b) any document received from a Tax Authority assessing, imposing, claiming or indicating an intention to claim any Tax or Duty which the Seller is or may become liable to pay under this SPA.

Tax Warranties means the warranties contained in Seller Warranty 8.

Tenement Conditions means the terms and conditions imposed as conditions to the grant of or the continuing title to the Tenements from time to time pursuant to applicable law.

Tenement Expenses means rents and rates in respect of the Tenements.

Tenements means, collectively, mining leases M57/128, M57/129, exploration licence 57/1102 and prospecting licences P57/1384, P57/1395 and P57/1442.

Term Sheet means the term sheet between the Parties in respect of the Acquisition dated 2 November 2021.

Troy Mining Information means all Mining Information in respect of M57/128 and M57/129.

34. Interpretation

In this SPA, except where the context otherwise requires:

- 34.1 capitalised terms used in this SPA but not defined in clause 33 have the meaning ascribed to them elsewhere in this SPA, as applicable;
 - 34.2 singular includes plural and plural includes singular;
 - 34.3 reference to a thing (including a right) includes a part of that thing;
 - 34.4 a monetary reference is a reference to Australian currency unless expressly stated to the contrary;
 - 34.5 reference to AWST is to Australian Western Standard Time;
 - 34.6 a provision must not be construed against a Party only because that Party prepared it;
 - 34.7 words, such as "include" and grammatical derivations thereof (such as including) or "for example", which introduce one or more examples shall not be construed as words of limitation; and
 - 34.8 another grammatical form of a defined expression has a corresponding meaning.
-

AC 

Schedule 1 - Seller Warranties

1. Target

- (a) **(Title):** The Seller is the sole legal and beneficial owner of the Target Shares, and has the power and capacity to sell and transfer full legal and beneficial title and interest in and to the Target Shares to the Buyer, free of any Encumbrance on the terms of this SPA.
- (b) **(No Right to Subscribe):** Except as otherwise disclosed by the Target to Aurumin in writing prior to the Execution Date, no person will have any right or option to subscribe for or otherwise to acquire any further shares in the Target.
- (c) **(No options):** Except as otherwise disclosed by the Target to Aurumin in writing prior to the Execution Date, the Target is not under any obligation to allot any shares to any person or persons, or otherwise to alter the structure of any part of its unissued share capital and there are no outstanding options, contracts, calls, first refusals, commitments, rights or demands of any kind relating to the issued or unissued capital of the Target or offer to do any of the foregoing.
- (d) **(Fully paid):** 100% of the issued shares of the Target are fully paid and no money is owing in respect of them and the Target Shares will, on Completion, comprise all of the issued share capital and other securities of the Target.
- (e) **(No Insolvency Event):** no Insolvency Event has occurred in respect of the Target nor have any steps been taken for, or fact, act, matter or circumstances occurred which may be likely to give rise to any steps being taken for such an Insolvency Event.

2. Target Assets

- (a) **(Sole Owner):** The Target is the sole legal and beneficial owner of the Target Assets, which (subject to the Permitted Encumbrances) are free of Encumbrances, and each of which is in the possession of the Target.
- (b) **(No Third Party Interests):** The Target has not sold, and is not currently bound by any means to sell, any of its interest in the Target Assets.
- (c) **(No Third Party Access):** To the best of the Seller's knowledge and belief, other than private landowners in respect of private land overlapping the Tenements (and also subject to the Permitted Encumbrances and any other statutory licence or authority such as miscellaneous licences overlapping any Tenement), no other person holds any rights to undertake any activities on the Tenements or Properties or to access the Tenements or Properties by force of any right conferred by Target or Seller or predecessor in title as title holder of the Tenements or Properties.
- (d) **(No Adverse Effect):** None of the Target Assets will be invalidated or adversely affected in any way by the entry into this SPA and the performance of the Parties' obligations hereunder.
- (e) **(Plant & Equipment List):** To the best of the Seller's knowledge and belief, the Seller has disclosed in writing to the Buyer prior to the Execution Date a materially accurate list of all of the plant and equipment and vehicles used by the Target in the conduct of its business.
- (f) **(Material Contracts):** To the best of the Seller's knowledge and belief, there are no agreements, arrangement or understandings affecting the Target or its business that, except for any contracts which are (or are secured by) Permitted Encumbrances:
 - (1) involve, or are likely to involve, an aggregate outstanding or potential expenditure or commitment by the Target of more than \$50,000, except in relation to an employee contract disclosed to the Buyer;
 - (2) are material to the operation of the business of the Target; or

- (3) are outside the ordinary and proper course of business of the Target's business or otherwise contain any terms which are unusual, abnormal or onerous in the context of the Target's business.
- (g) **(No other Material Contracts):** other than the Permitted Encumbrances, the Target is not party to, and the Tenements and Properties are not the subject of, any off-take agreement, joint venture agreement, royalty or similar that would require the Target or the Buyer to sell or dispose of any ore extracted or processed from the Site to any third party or to make payment to any third party on account of the extraction, process or sale of such ore.
- (h) **(No Financial Assurance Bonds):** there are no existing financial bonds, financial surety, financial guarantees or similar that are in place in respect of the Target Assets.
- (i) **(Mining Information):** To the best of Seller's knowledge and belief, the Mining Information is true, materially complete, accurate, and not misleading in any material respect and the Target is the legal and beneficial owner of all intellectual property rights subsisting in the Mining Information, the Buyer, Aurumin's and the Target's use of which following Completion will not (subject to the Permitted Encumbrances):
- (1) require that the Buyer, Aurumin or the Target pay any royalties, licence fees or other similar fees to any person or entity in connection with its use; and
 - (2) infringe any other person or entities' intellectual property rights or moral rights or similar personal rights.
- (j) **(Troy Mining Information):** All Troy Mining Information is stored at the Storage Facility and none of the Troy Mining Information is Excluded Information.

3. Tenements & Properties

- (a) **(Good Standing):** To the best of the Seller's knowledge and belief, each Tenement is in full force and effect and in good standing and is not liable to forfeiture or extinguishment (including due to failure to comply with any minimum expenditure requirements) and all laws and conditions that apply to the Tenements have been complied with.
- (b) **(No Environmental Liabilities):** Subject always to clause 9.5, the Seller and the Target are in compliance with all material environmental and current obligations binding upon them in respect of the Tenements and the Properties, the Seller and the Target have Fully and Fairly Disclosed all environmental liabilities in respect of the Tenements and the Properties in an announcement by the Seller on the ASX market announcements platform within the previous 24 months or to Aurumin or the Buyer in writing prior to entry into the SPA and, other than rehabilitation obligations clearly and Fully and Fairly Disclosed by the Seller in an announcement on the ASX market announcements platform within the previous 24 months or to Aurumin or the Buyer in writing prior to entry into the SPA, neither the Seller nor the Target is aware of any notification pursuant to any environmental law requiring the Seller or the Target to take or omit to take any action in respect of the Tenements.
- (c) **(Encumbrances):** Subject to satisfaction of the Conditions Precedent, the Excluded Liabilities (which for the avoidance of doubt will remain liabilities of the Seller in accordance with clause 10.2) and the Permitted Encumbrances, and to the best of the Seller's knowledge and belief, the Tenements and the Properties, are free of all Encumbrances.
- (d) **(Troy Royalty):** The Royalty Deed (Net Smelter Return Royalty) dated 26 March 2013 between Troy Resources Limited and Southern Cross Goldfields Limited has been terminated by the Royalty Termination Agreement between Troy Resources Limited, the Seller and the Target dated 01 July 2021.
- (e) **(Variation):** The Seller and the Target have not received notice of any act or omission which may cause any term or condition of any Tenements to be amended or otherwise varied or

which may restrict the enjoyment of rights conferred by the Tenements, and it is not aware of any such act or omission.

- (f) **(Outgoings):** As at the date of the SPA and the Completion Date, no rents, fees, rates and charges payable, assessed or charged in respect of the Tenements pursuant to any applicable law will be overdue.
- (g) **(No forced assignment):** To the best of the Seller's knowledge and belief, no circumstances exist which are likely to give rise to a forced assignment, surrender or transfer of all or part of the Tenements (for the avoidance of doubt, the existence of the compulsory surrender provisions under the *Mining Act 1978* (WA) will not, of themselves, constitute a breach of this warranty).
- (h) **(No breach):** The Seller and the Target are not in breach of any material agreement in connection with the Tenements.
- (i) **(Compensation):** There is not in existence any current compensation or similar agreement with the owner or occupier of any land which is subject to the Tenements.
- (j) **(Native Title):** To the best of the Seller's knowledge and belief, the Seller and the Target have Fully and Fairly Disclosed in writing to Aurumin all information in connection with native title that is in its possession or control, including any agreements and any actual or potential restrictions or claims.
- (k) **(Aboriginal Heritage):** To the best of the Seller's knowledge and belief, the Seller and the Target has Fully and Fairly Disclosed in writing to Aurumin all information in connection with Aboriginal heritage that is in its possession or control in respect of the Tenements, including any agreements and any actual or potential restrictions or Aboriginal heritage sites.

4. Properties

- (a) **(Property Particulars):** The particulars of the Properties provided to the Buyer prior to the Execution Date are true, complete and accurate in all material respects.
- (b) **(Property Documentation):** Details of all material documentation pursuant to which the Properties are used or occupied by the Target have been provided to the Buyer.
- (c) **(No other properties):** The Properties are the only land and buildings that are owned, used or occupied by the Target (or in respect of which the Target is the registered title holder or in which it has a beneficial interest), or which form part of the Sandstone Gold Project, save for the land the subject of, and the buildings that are situated on, the Tenements.

5. Legal Compliance

- (a) **(Authorisations):** The Target holds all authorisations required to conduct activities on the Tenements as those activities will be conducted until Completion.
- (b) **(Compliance with Laws):** To the best of the Seller's knowledge and belief, the Target is not in material breach of any provision of any applicable Laws, including in relation to any of the Tenements.

6. Litigation

- (a) **(No Litigation):** To the best of the Seller's knowledge and belief, the Seller and the Target is not involved in any litigation, arbitration or administrative proceeding relating to claims or amounts relating to any of the Target Assets or any customers or suppliers of the Seller or the Target, nor is any such litigation, arbitration or administrative proceeding pending or threatened.
- (b) **(No Unsatisfied Judgements):** There are no unsatisfied judgments, awards, claims or demands against the Target or the Seller.

- (c) **(No Unsatisfied Notices):** Neither the Target nor the Seller have received, and the Target and the Seller is not aware of there being at the Execution Date, any material unsatisfied notices, orders or requirements of a government agency including relating to:
- (i) the existence and adequacy of any services or other facilities and amenities at the Tenements;
 - (ii) public health or fire safety; and
 - (iii) pollution or environmental protection.

7. Accounts

- (a) **(Accounts):** The Accounts of the Target:
- (1) have been maintained in accordance with the Accounting Principles;
 - (2) in all material respects fully, fairly and accurately reflect the income, expenses, assets and liabilities of the Target as at the relevant date for when they are expressed as being provided, and the notes thereto are true, complete and accurate in all material respects;
 - (3) fairly present the results of operations for the periods referred to in the Accounts in accordance with the Accounting Principles; and
 - (4) if they contain or reflect any allowances and accruals (including allowances for accrued employee entitlements, product and service warranties and for uncollectible accounts receivable), those inclusions are, or will be, adequate, appropriate and reasonable.
- (b) **(Liabilities & Indebtedness):** The Target does not have any liabilities and does not owe any sum of money to any person, entity or authority except as follows:
- a. the Excluded Liabilities;
 - b. as otherwise set out in the Accounts; or
 - c. future liabilities which as at the Signing Date had not yet accrued and are:
 - i. expressly set out in the Permitted Encumbrances; or
 - ii. have been incurred in the ordinary course of business (but not including undertaking any exploration activity or incurring any significant liability save as permitted clause 9.1.5) after the date to which the Accounts are expressed to be made..

8. Tax

- (a) **(Pre Completion Tax):** Other than those which may be still paid without penalty or interest, all:
- (1) Taxes and Duty for which the Target is liable to pay prior to the Completion Date;
 - (2) penalty or interest in respect of Tax or Duty for which the Target is liable to pay prior to the Completion Date;
 - (3) instalments of provisional Tax that are due and payable by the Target prior to the Completion Date,
 - (4) Taxes that are required by any Law to be withheld or deducted prior to the Completion Date by the Target from payments that are made by it (including for interest, dividends and royalties); and
 - (5) Duties required to be paid by the Target prior to the Completion Date,
- have been, or will be, paid when due, or duly withheld or deducted (as applicable), and

paid in full to the relevant Tax Authority within the requisite time limits.

- (b) **(No Tax Default):** The Target is not in default in the payment of any Tax or Duty.
- (c) **(No Tax Deficiency Notice):** The Target has not received any notice of any Tax or Duty deficiency outstanding, proposed or assessed and no such notice has been issued.
- (d) **(No Tax Encumbrances):** There are no Encumbrances upon, pending against or, to the best knowledge of the Seller, threatened against the Target or any of its assets arising pursuant to any Law making provision for Tax or Duty.
- (e) **(Tax Investigations):** To the best of the Seller's knowledge and belief, the Target is not the subject of any investigation or audit by any Tax Authority in its place of incorporation nor is any such investigation or audit pending or threatened.
- (f) **(Tax Lodgements):** All tax returns and Duties lodgements and other information that are required to be lodged prior to Completion with a Tax Authority, or provided to any other person, by the Target for Taxes:
 - (1) have been lodged or filed prior to the Completion Date with the appropriate Tax Authority;
 - (2) to the best of the Seller's knowledge and belief, were accurate, complete and not misleading, and prepared in accordance with all laws and published rulings at the time of lodgement; and
 - (3) to the best of the Seller's knowledge and belief, are not likely to be the subject of any dispute or reassessment.

9. Securities and Financing

- (a) **(No Guarantees Provided):** Other than as set out in Schedule 2, the Target has not given any guarantee of any other person's obligations or liabilities or indemnified any person against the acts or omissions of any third party.
- (b) **(No Guarantees Required):** Other than as set out in Schedule 2, no person has given any guarantee or security to any other person for any liability of the Target.
- (c) **(No Financing):** There are no loans, guarantees, material undertakings, material commitments on capital account or unusual liabilities given, made or incurred by or on behalf of the Target (other than the Intercompany Loan prior to Completion).

10. Employees

- (a) **(Employees):** A true, correct and complete list of all employees of the Target has been disclosed to the Buyer in writing prior to the Execution Date (including details of their employment status, start date, position, total annual compensation, notice period, accrued long service leave and accrued annual leave), and those details are accurate and complete in all material respects as at the Execution Date.
- (b) **(Employee Entitlements):** The Target has paid all accrued amounts due to current or former employees other than as provided for in the Accounts. No bonus or other amount is due or outstanding to any current or former employee.

11. Information

- (a) **(Copies of Permitted Encumbrances):** The copies of the documents referred to in items (a) to (h) inclusive of Schedule 2 as provided by the Seller to the Buyer are true and complete copies to the best of the Seller's knowledge and belief.
- (b) **(No Undisclosed Facts):** There is no fact, matter or circumstance known to the Seller or Target which renders, in any material respect, any of the Seller Warranties false or misleading and the Seller has not withheld any information which might reasonably be

supposed to be material to a prospective purchaser of the Target Shares (or the Target Assets).

- (c) **(Accurate Information):** All information that has been supplied by or on behalf of the Seller for the purposes of, or in connection with, this SPA is, to the best of the information and belief of the Seller, after having made due and reasonable enquiries, true, complete and accurate and not misleading in any material respect.

AC 

Schedule 2 – Permitted Encumbrances

- (a) Tribute Agreement between Target and Kym Anthony McLaren dated 5 June 2017, as amended by letter of variation dated 5 June 2019 and Deed of Variation of Tribute Agreement dated 25 September 2020;
- (b) Letter Agreement between Herald Resources Ltd and National Resources Exploration Ltd dated 10 October 1988 and Deed Poll dated 11 July 2016 pursuant to which Target assumed obligations under that Letter Agreement;
- (c) Deed of Sale – Sandstone between Troy Resources NL, Herald Resources Ltd and International Annax Ventures Inc dated 27 September 2004 and Deed Poll dated 11 July 2016 pursuant to which Target assumed obligations under that Deed of Sale.
- (d) Deferred Payment Agreement between Black Oak Minerals (In Liquidation) (Receivers and Managers Appointed) (**BOK**), Simon Theobald, Marcus Ayres and Michael Owen, Target and Seller dated on or around 11 July 2016, which was the subject of an assignment by BOK to PMM pursuant to a Deed of Assignment and Assumption between BOK, PMM, and others dated 7 February 2019;
- (e) General Security Deed between BOK, Simon Theobald, Marcus Ayres and Michael Owen and Target dated 11 July 2016 which was the subject of an assignment by BOK to PMM pursuant to a Deed of Assignment and Assumption between BOK, PMM, and others dated 7 February 2019;
- (f) Featherweight General Security Deed between BOK, Simon Theobald, Marcus Ayres and Michael Owen and Seller dated 11 July 2016, which was the subject of an assignment by BOK to PMM pursuant to a Deed of Assignment and Assumption between BOK, PMM, and others dated 7 February 2019 (the **Featherweight Deed**);
- (g) Mining Mortgage over Tenements between Target and BOK dated 11 July 2016, which was the subject of an assignment by BOK to PMM pursuant to a Deed of Assignment and Assumption between BOK, PMM, and others dated 7 February 2019;
- (h) Mortgage over freehold assets of Target between Target and BOK dated 11 July 2016, which was the subject of an assignment by BOK to PMM pursuant to a Deed of Assignment and Assumption between BOK, PMM, and others dated 7 February 2019;
- (i) taxes or royalties payable to any governmental authority and which arise after the Completion Date;
- (j) Tenement Conditions; and
- (k) any statutory exceptions to title.

AC  

Schedule 3 – Excluded Liabilities

- (a) Income tax, GST, payroll tax and fringe benefits tax liabilities of the Target which accrued prior to the Completion Date (if any);
- (b) Unpaid wages, salary, leave entitlements or remuneration liabilities of the Target which accrued prior to the Completion Date (if any);
- (c) Superannuation liabilities of the Target which accrued prior to the Completion Date (if any);
- (d) Transfer duty liabilities of the Target which accrued prior to the Completion Date (if any);
- (e) Rents, rates and taxes on the Tenements or the Properties which are due prior to the Completion Date (if any); and
- (f) Penalties and fines (if any) imposed on the Seller by Government agencies prior to the Completion Date.

A handwritten signature in blue ink, consisting of a stylized 'A' followed by a series of loops and a final flourish.

Executed as a deed on the Execution Date

Executed by Aurumin Limited (ACN 639 427)
099) in accordance with section 127 of the)
Corporations Act 2001 (Cth):)
)
)



Signature of Director

BRAD VALJEKS

Name (please print)



Signature of Secretary/other Director
Secretary

ARRON CANICAIS

Name (please print)

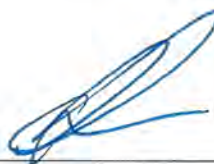
Executed by Aurumin Australia Pty Ltd (ACN)
639 573 390) in accordance with section 127)
of the Corporations Act 2001 (Cth):)
)
)



Signature of Director/ Sole Director*

BRAD VALJEKS

Name (please print)



~~Signature of Director/Secretary/Witness*~~

ARRON CANICAIS

Name (please print)

*Please indicate whichever does not apply.



Executed by **Middle Island Resources Limited** (ACN 142 361 608) in accordance with section 127 of the *Corporations Act 2001* (Cth):

)
)
)
)
)



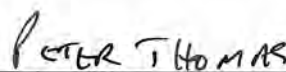
Signature of Director



Signature of Secretary/other Director



Name (please print)



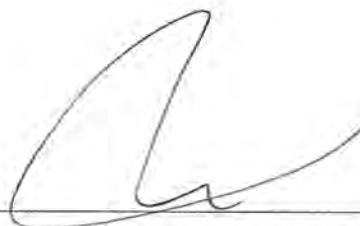
Name (please print)

Executed by **Sandstone Operations Pty Ltd** (ACN 611 811 280) in accordance with section 127 of the *Corporations Act 2001* (Cth):

)
)
)
)
)



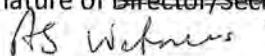
Signature of Director/ Sole Director*



Signature of Director/Secretary/Witness*



Name (please print)



Name (please print)

*Please indicate whichever does not apply.

Annexure A

Balance Sheet and Profit and Loss Statement of Target as at 31 September 2021

(see following pages)

B. Uu — AL  

Balance Sheet

Sandstone Operations Pty Ltd

As at 30 September 2021

Account	30 Sep 2021
Assets	
Bank	
10000 - Operating Account	42,324.09
Total Bank	42,324.09
Current Assets	
11050 - Accounts Receivable	4,677.00
Total Current Assets	4,677.00
Fixed Assets	
13110 - Computer Equipment	1,298.06
13115 - Computer Equipment - Accumulated Depreciations	(606.00)
13200 - Land and Buildings	126,929.00
13300 - Property Plant and Equipment	1,912,170.32
14000 - Motor Vehicle	22,671.81
14005 - Motor Vehicle - Accumulated Depreciation	(9,927.41)
Total Fixed Assets	2,052,535.78
Non-current Assets	
15000 - Tenement Acquisition Costs	1,659,237.00
16030 - Loan - MDI	(14,324,437.43)
Total Non-current Assets	(12,665,200.43)
Total Assets	(10,565,663.56)
Liabilities	
Current Liabilities	
21100 - Accounts Payable	43,782.71
21200 - Accrued Expenses	12,098.50
22000 - GST	0.05
23100 - Wages Payable	1,466.00
23400 - Superannuation Payable	754.33
80900 - Rounding	(1.24)
Total Current Liabilities	58,100.35
Non-current Liabilities	
25000 - Rehabilitation Obligations	1,384,900.00
Total Non-current Liabilities	1,384,900.00
Total Liabilities	1,443,000.35
Net Assets	(12,008,663.91)
Equity	
31100 - Issued Share Capital	1,000.00
31800 - Retained Earnings	(11,652,652.81)
Current Year Earnings	(357,011.10)
Total Equity	(12,008,663.91)



Profit and Loss

Sandstone Operations Pty Ltd

For the 3 months ended 30 September
2021

Account	Jul-Sep 2021
Gross Profit	0.00
Operating Expenses	
61800 - Bank Charges	30.00
62900 - Depreciation	130.87
75100 - PFS - Metallurgical Testing	3,340.00
94760 - Permits / Camp - Electricity	814.82
94763 - Permits / Camp - Field Accommodation	0.01
94770 - Permits / Camp - Water	1,094.02
94785 - Permits / Camp - Office supplies	389.64
94795 - Permits / Camp - Repair fee	(118.18)
94975 - Permits / Computing - GIS Database	500.00
95000 - Permits / Consultants - Other	9,981.20
95125 - Permits / Consultants - Environmental	8,023.81
95270 - Permits / Consultants - Mining/Reserve	13,648.53
95300 - Permits / Consultants - Metallurgy	6,596.36
95325 - Permits / Consultants - Project Manager	20,878.50
95450 - Permits / Consultants - Tenement Administration	307.20
95550 - Permits / Consumables - Exploration	199.92
95850 - Permits / Drilling - RC Assays	13,850.75
96100 - Permits / Equipment Purchase - Minor	440.81
96150 - Permits / Freight/Courier	1,443.04
96600 - Permits / Insurance	(100,000.00)
96800 - Permits / Membership/Subscription	173.58
96850 - Permits / Motor Vehicle - Rental	1,537.20
96950 - Permits / Motor Vehicle - Repairs/Maint	4,435.19
97020 - Permits / Motor Vehicle - Depreciation	771.46
97500 - Permits / Rehabilitation	11,098.53
97875 - Permits / Salaries & Wages Exploration	5,489.00
97880 - Permits / Superannuation	529.65
98150 - Permits / Storage/Warehousing	370.02
98250 - Permits / Taxis	86.00
98300 - Permits / Tenement - Acquisition Cost	250,000.00
98350 - Permits / Tenement - Rates	78,990.77
98400 - Permits / Tenement - Rents	21,450.00
98450 - Permits / Tenement - Management	528.40
Total Operating Expenses	357,011.10
Net Profit	(357,011.10)

AL 

Annexure B

Summary of terms of debt finance components of Aurumin Capital Raising, including Convertible Note

(see following pages)

AL  

Aurumin Limited (ASX:AUN)

Term Sheet dated 6 December 2021

This Term Sheet is between the following parties:

Aurumin Limited ACN 639 427 099 (ASX:AUN)

of C/- Smallcap Corporate Pty Ltd, Unit 1, 295 Rokeby Road, SUBIACO, WA, AUSTRALIA,
6008,
(AUN)

and

**Collins St Asset Management Pty Ltd ACN 601 897 974 ATF Collins St Value Fund ABN
16 601 897 974**

of Step Accounting and Advisory, 251A Glen Eira Road, Caulfield North VIC 3161,
(CSVF).

Background

- A. The parties wish to enter into a convertible note deed pursuant to which CSVF will subscribe for convertible notes (**Notes**) in AUN on the terms set out in this Term Sheet (**Convertible Note Deed**).
- B. This Term Sheet sets out the terms which the parties intend will form the starting point for the negotiation of legally binding agreements.

1. Legal effect

Other than clauses 1, 2 and 12 to 18, this Term Sheet is not, and is not intended to be, legally binding.

2. Exclusivity

During the period from the date of this Term Sheet until 14 December 2021 (**Expiry Date**) a party must not deal or attempt to deal with any other person in connection with the matters the subject of this Term Sheet.

3. Notes

- (a) The parties will enter into a Convertible Note Deed pursuant to which CSVF will subscribe for Notes by paying \$5,000,000 to AUN (**Subscription Money**) and AUN will issue to CSVF Notes on the terms set out in this clause 3.
- (b) Interest on the Notes will be:
 - (i) 10% per annum;
 - (ii) payable from the date of issue until 30-month anniversary of their date of issue (**Maturity Date**);
 - (iii) payable in advance; and

1 AC  
B.U. 

(iv) capitalised on the date of issue of the Notes,

such that the Notes issued to CSVF will have a face value of \$6,413,479 (**Face Value**) on the date of issue.

(c) The Notes:

(i) may be converted by CSVF into fully paid ordinary shares in AUN (**Shares**) at an exercise price of \$0.30 per Share (subject to any reconstruction) (**Conversion Price**);

(ii) mature on the Maturity Date; and

(iii) may be converted by CSVF in more than one tranche.

(d) AUN may, at any time (and on any number of occasions), redeem any portion of the Notes by paying to CSVF the corresponding Face Value of the Notes to be redeemed, provided that, contemporaneously with such redemption AUN issues to CSVF the number of options determined in accordance with the formula below:

$$\text{Number of options to be issued} = \text{Face Value of Notes redeemed} / \text{the Conversion Price}$$

with each option to:

(i) have an exercise price equal to the Conversion Price (subject to any reconstruction);

(ii) have an expiry date which is the six months after Maturity Date; and

(iii) otherwise be on terms standard for a company listed on the ASX.

(e) If the Notes are redeemed on the Maturity Date, then AUN must issue to CSVF the number of options determined in accordance with the formula below:

$$\text{Number of options to be issued} = \text{Face Value of Notes on the Maturity Date} / \text{the Conversion Price}$$

with each option to:

(i) have an exercise price equal to the Conversion Price (subject to any reconstruction);




(ii) have an expiry date which is six months after the Maturity Date; and

(iii) otherwise be on terms standard for a company listed on the ASX.

(f) CSVF may not convert any Notes if such conversion would cause it to hold a relevant interest in more than 20% of the Shares on issue.

(g) On the Maturity Date AUN must redeem all Notes not converted into Shares before the Maturity Date by paying the outstanding Face Value of the Notes to CSVF.

(h) The terms of issue of the Notes and the security documents will be on terms typical for a transaction of this nature.

AC  
B. Wal 

4. Capital raise

If AUN undertakes a capital raise:

- (a) after the 12 month anniversary of the date of the Convertible Note Deed; and
- (b) at any time during the 30 day period before the capital raise is announced to the ASX the market capitalisation of AUN is less than \$40 million (to be determined at the price shares of AUN trade on the ASX multiplied by the number of shares on issue on AUN),

then CSVF may, within 30 days after funds are received by AUN in respect of the fundraising, redeem Notes up to half the value of the fundraising.

5. Options

On the date of issue of the Notes, AUN must issue 10,000,000 free options to CSVF which:

- (a) will expire on the six month anniversary of the Maturity Date;
- (b) have an exercise price of \$0.30 per option;
- (c) will otherwise be on terms standard for a company listed on the ASX.

6. Security

To secure the funds advanced under the Notes, AUN must grant CSVF a first ranking security over all of the assets of AUN, which security will be registered on the Personal Property Security Register.

7. Shareholder approval

AUN must use its best efforts to obtain shareholder approval to the issue of the Notes and options set out in this Term Sheet such that shareholder approval is not required in respect of any conversion of Notes into Shares or to exercise the options.

8. Use of funds

AUN must use the Subscription Money solely for the purpose of:

- (a) contributing to the purchase price of its acquisition of the Sandstone Gold Project; and
- (b) financing its existing mining exploration activities.

9. Conditions precedent

- (a) CSVF's obligation to subscribe for the Notes will be conditional on:
 - (i) AUN undertaking a capital raise pursuant to which it raises at least \$4,000,000 by issuing Shares at an issue price of not less than \$0.20 per Share; and
 - (ii) AUN entering into an agreement with the vendor of the Sandstone Gold Project pursuant to which any Shares issued to that vendor (or

dc [Signature] Ben
B.U. [Signature]

to any party associated with that vendor) will be subject to an escrow period of no less than 12 months.

- (b) If AUN issues any options in respect of the capital raise referred to in clause 9(a)(i) then, upon CSAM subscribing for the Note, AUN must issue options to CSAM as if CSAM had participated in that fundraise in the amount of the Face Value.

10. AUN undertakings

Until the Maturity Date AUN must maintain at all times a cash balance of no less than \$1,500,000.

11. Reconstruction and Bonus Issue

- (a) If there is a reconstruction of the issued capital of AUN, including without limitation any:
 - (i) reduction, repayment by way of reduction, consolidation or reclassification or division of the issued capital of AUN;
 - (ii) an issue of Shares by way of capitalisation of profits or reserves;
 - (iii) an issue of Shares in lieu of dividends or distributions; or
 - (iv) any options (other than options issued to employees or directors under an incentive plan or within the limits imposed by those plans), warrants or further convertible instruments are issued,

then the basis for conversion of the Notes will be reconstructed in the same proportion and manner as the reconstruction of the issued capital of AUN or otherwise in a manner that would eliminate any disadvantage to CSVF and subject to the same provisions (if any) with respect to the rounding of entitlements as are sanctioned by the meeting of shareholders of AUN which approves that reconstruction.

- (b) If AUN conducts a bonus issue during the term of the Notes, the basis for conversion of the Notes on issue as at the record date of the bonus issue will be adjusted by the number of bonus Shares that CSVF would have received if the Notes it then holds had been exercised prior to the record date for the bonus issue.

12. No shop

From the date of this Term Sheet until the Expiry Date a party must not, and must procure that each of its associates and related bodies corporate and their representatives and agents does not, directly or indirectly, encourage, solicit, initiate, engage in discussions or negotiations with, enter into any agreement with or provide any information to, any person or group (other than a party to this Term Sheet or its representatives) concerning this Term Sheet, the Convertible Note Deed or any other form of convertible note in AUN.

13. Good faith

- (a) The parties must negotiate in good faith for the purpose of reaching agreement on binding transaction documents in respect of the Convertible Note Deed.

AC

B.U.



- (b) The parties acknowledge and agree that in negotiating transaction documents issues may arise which are not addressed or not addressed adequately in this Term Sheet.

14. Confidentiality

- (a) Neither party may disclose to any other person:
- (i) the existence of or terms of this Term Sheet;
 - (ii) any information provided by one party to the other not already in the public domain prior to this Term Sheet being signed;
- except:
- (iii) as required by the law or the rules of any stock exchange; or
 - (iv) to its professional advisers for the purpose of obtaining advice on the matters the subject of this Term Sheet.
- (b) If this Term Sheet comes to an end without transaction documents having been entered into then each party must return to the other all originals and copies taken of all information referred to in clause 14(a).

15. Costs

AUN must pay to CSVF all legal fees incurred by CSVF relating to the discussion, negotiation and drafting of this Term Sheet, the Convertible Note Deed (to be drafted by the lawyers for CSVF), the security documents and all other documents contemplated by this Term Sheet, including any matters required to implement the transactions contemplated by those documents.

16. Expiry date

- (a) If the parties or their nominees have not entered into binding transaction documents by the Expiry Date (or agreed in writing to extend the Expiry Date) then this Term Sheet comes to an end and the parties have no obligations to each other than in relation to clauses 14 to 17, which continue to apply.
- (b) If the parties enter into binding transaction documents then this Term Sheet comes to an end in all respects.

17. Counterparts

If this Term Sheet consists of a number of counterparts, each is an original and all of the counterparts together constitute the same document. Delivery of an executed counterpart of a signature page of this Term Sheet by facsimile or by PDF file (portable document file) shall be effective as delivery of a manually executed counterpart of this Term Sheet.

18. Jurisdiction

- (a) The law of Victoria governs this Term Sheet.
- (b) The parties submit to the non-exclusive jurisdiction of the courts of Victoria and of the Commonwealth of Australia.

EXECUTION PAGE

EXECUTED by AURUMIN LIMITED ACN 639 427 099 in accordance with the *Corporations Act 2001* by being signed by the following officers:

Signature of director

Signature of director / company secretary

Name of director (*please print*)

Name of director / company secretary
(*please print*)

EXECUTED by COLLINS ST ASSET MANAGEMENT PTY LTD ACN 601 897 974 in accordance with the *Corporations Act 2001* by being signed by:

MICHAEL GOLDBERG who states that he is the sole Director and sole Secretary

B. Um ^{AC} 

To: Middle Island Resources Limited
ATTN: Brad Marwood
brad@middleisland.com.au

Sandstone Operations Pty Ltd
ATTN: Brad Marwood
brad@middleisland.com.au

Date: 9 February 2022

Binding Share Purchase Agreement – Amendment and Waiver Letter

1. Background

- (a) We refer to the agreement titled "Binding Share Purchase Agreement" dated 7 December 2021 between Aurumin Limited ACN 639 427 099 (**Aurumin**), Aurumin Australia Pty Ltd ACN 639 573 390 (**Buyer**), Middle Island Resources Limited ACN 142 361 608 (**Seller**) and Sandstone Operations Pty Ltd ACN 611 811 280 (**Target**) and as amended by way of letter agreement on 19 January 2022 (the **Agreement**).
- (b) The Seller intends to enter into a sub-underwriting agreement with Lazarus Corporate Finance Pty Ltd, pursuant to which the Seller will sub-underwrite the Entitlement Offer in the amount of up to 5,000,000 shares in the capital of the Aurumin (**Sub-underwriting Agreement**).
- (c) To ensure that the share issue contemplated under the Sub-underwriting Agreement does not lead to a breach of section 611 of the Corporations Act, the Parties agree to amend the Agreement, on the terms set out in this letter agreement (**Letter**).
- (d) Capitalised terms not defined in this Letter have the same meaning given to them in the Agreement.

2. Completion

- (a) Clause 10.3.6 of the Agreement is deleted and replaced as follows:
"Procure the issue of the maximum number of Consideration Shares that may be issued to the Seller (or the Seller's nominee), such that the Seller's Relevant Interest in the Company is not greater than 19.90% at the time of issue (rounded down to the nearest 10,000 Consideration Shares);"
- (b) Clause 10.3.9 of the Agreement is deleted and replaced as follows:
"enter the Seller (or the Seller's nominees) in Aurumin's register of members as the holder of the number of Consideration Shares issued under clause 10.3.6;"
- (c) Clause 10.3.10 of the Agreement is deleted and replaced as follows:
"provide a holding statement in respect of the Consideration Shares issued under clause 10.3.6 to the Seller or, if that is not possible, evidence to the Seller that Aurumin's share register has been irrevocably instructed to dispatch to the Seller (on the Completion Date) a holding statement in respect of the Consideration Shares issued under clause 10.3.6,"
- (d) Clauses 10.7.1 and 10.7.2 of the Agreement are deleted and replaced as follows:

“10.7.1 be recorded in Aurumin’s register of members as being the registered holder of the Consideration Shares to be issued to them under clauses 10.3.6 and 35, at the times the relevant Consideration Shares are issued; and
10.7.2 be bound by Aurumin’s constitution.”

3. Condition Subsequent

The following clause 35 be inserted into the Agreement:

“As soon as reasonably practicable Aurumin must:

*35.1 dispatch a notice of meeting (to be dispatched at the earliest practicable date) seeking approval under section 611, item 7 of the Corporations Act to issue the Remaining Consideration Shares (**Approval**);*

35.2 use its best endeavours to procure:

35.2.1 an independent expert’s report on the fairness and reasonableness of the Approval;

35.2.2 subject to any fiduciary obligations:

35.2.2.1 a unanimous recommendation from the directors of Aurumin that the Aurumin’s shareholders vote in favour of the Approval; and

35.2.2.2 voting intention statements in favour of the Approval from shareholders of Aurumin with an aggregate voting power of equal to or more than 25%; and

*35.3 subject to the approval of Aurumin’s shareholders, issue the Remaining Consideration Shares (**Condition Subsequent**).*

In the event the Condition Subsequent is not satisfied by 30 April 2022 or such date as otherwise agreed between the Parties, the Buyer must pay the Seller in cash the value of the Remaining Consideration Shares (at an agreed deemed value of \$0.20 per Remaining Consideration Share).”

4. Waiver of Condition Precedent

The Parties hereby agree and acknowledge that the conditions precedent to the Agreement, other than “*clause 7.1.3 – Seller Shareholder Approval*”, have been waived or satisfied.

5. Defined Terms

The following defined terms be inserted into clause 33 of the Agreement:

- (a) **Entitlement Offer** has the meaning given in Aurumin’s prospectus dated 14 January 2022 and supplementary prospectus dated 18 January 2022.
- (b) **Relevant Interest** has the meaning given in the Corporations Act.
- (c) **Remaining Consideration Shares** means the number of Consideration Shares less any Shares issued pursuant to clause 10.3.6.

6. Miscellaneous

- (a) This letter cannot be amended or varied except in writing signed by the Parties.
- (b) This letter is governed by and must be construed in accordance with the laws of Western Australia.
- (c) Each Party must promptly execute all documents and do all things that another Party reasonably requests to effect or complete this letter and all transactions contemplated by it.
- (d) This letter is executed as a deed and may consist of a number of signed counterparts. All counterparts together constitute one document.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'B. Valiukas', is positioned above the printed name.

Brad Valiukas
Managing Director
Aurumin Limited

By countersigning this letter, each Party accepts and agrees to the terms of this letter.

Aurumin

Signed, sealed and delivered by **Aurumin**)
Limited ACN 639 427 099 pursuant to)
section 127 of the *Corporations Act 2001*)
(Cth):)



Signature of Director

Brad Valiukas

Name of Director (print)



Signature of Director/Secretary

Arron Canicaïs

Name of Director/Secretary (print)

Buyer

Signed, sealed and delivered by **Aurumin**)
Australia Pty Ltd ACN 639 573 390)
pursuant to section 127 of the *Corporations*)
Act 2001 (Cth):)



Signature of Sole Director

Brad Valiukas

Name of Sole Director (print)



Signature of Witness

Arron Canicaïs

Name (print)

Seller

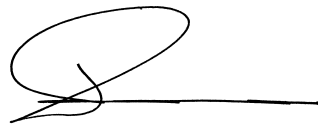
Signed, sealed and delivered by **Middle**)
Island Resources Limited ACN 142 361)
608 pursuant to section 127 of the)
Corporations Act 2001 (Cth):)



Signature of Director

Brad Marwood

Name of Director (print)



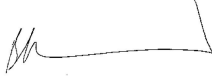
Signature of Director/Secretary

Rudolf Tieleman

Name of Director/Secretary (print)

Target


Signed, sealed and delivered by **Sandstone**)
Operations Pty Ltd ACN 611 811 280)
pursuant to section 127 of the *Corporations*)
Act 2001 (Cth):



Signature of Director

Brad Marwood

Name of Director (print)



Signature of ~~Director~~/Secretary

Rudolf Tieleman

Name of ~~Director~~/Secretary (print)

To: Middle Island Resources Limited
ATTN: Brad Marwood
brad@middleisland.com.au

Sandstone Operations Pty Ltd
ATTN: Brad Marwood
brad@middleisland.com.au

Date: 11 March 2022

Binding Share Purchase Agreement – Variation Letter No. 3

1. Background

- (a) We refer to the agreement titled “Binding Share Purchase Agreement” dated 7 December 2021 between Aurumin Limited ACN 639 427 099 (**Aurumin**), Aurumin Australia Pty Ltd ACN 639 573 390 (**Buyer**), Middle Island Resources Limited ACN 142 361 608 (**Seller**) and Sandstone Operations Pty Ltd ACN 611 811 280 (**Target**) as amended by letter agreements dated 19 January 2022 and 9 February 2022 (collectively the **Agreement**).
- (b) All Conditions Precedent in the Agreement have been waived or satisfied.
- (c) The Seller has entered into a conditional sub-underwriting agreement with Lazarus Corporate Finance Pty Ltd, pursuant to which the Seller has agreed to conditionally sub-underwrite the Entitlement Offer in the amount of up to 5,000,000 shares in the capital of Aurumin (**Sub-underwriting Agreement**).
- (d) The Parties agree to vary the Agreement on the terms set out in this letter agreement (**Letter**).
- (e) Capitalised terms used but not defined in this Letter have the same meaning as is given to them in the Agreement.
- (f) In this Letter:
 - (i) **Controlled Monies Account** means the trust account opened by Aurumin with the following details:

Name: Aurumin New Issue Account

Bank: CBA

BSB: 066 103

Account: 1043 6529;
 - (ii) **Letter Signing Date** means the date of this Letter; and
 - (iii) **Subscription Funds** means such amount of money as the Seller is obliged to pay to subscribe for ordinary shares in Aurumin pursuant to the Sub-underwriting Agreement.

2. Completion

- (a) Clause 10.1 of the Agreement is deleted and replaced as follows:

*“10.1 The due date for Completion (the **Completion Date**) is agreed as being 17 March 2022. Notwithstanding this agreed Completion Date, each of the Parties undertakes to use its best endeavours to Complete as early as possible after the Letter Signing Date.”*

- (b) Clause 10.3.10 of the Agreement is deleted and replaced as follows:

“provide a holding statement in respect of the Consideration Shares issued under clause 10.3.6 to the Seller (or the Seller’s nominee or, if that is not possible, evidence to the Seller that Aurumin’s share registrar has been irrevocably instructed to dispatch to the Seller (on the Completion Date) a holding statement in respect of the Consideration Shares issued under clause 10.3.6.”.

- (c) Whilst the Completion Date has been agreed at 17 March 2022, Aurumin and the Buyer agree that is a “long stop date” and they will use their best endeavours to achieve Completion as soon as possible.

3. Issue of Remaining Consideration Shares

The following be inserted into the Agreement as clause 36:

“36 Issue of Remaining Consideration Shares

- (a) *If Remaining Consideration Shares are issued pursuant to clause 35 Aurumin must (on the date of issue of the Remaining Consideration Shares):*

(i) *enter the Seller (or the Seller’s nominees) in Aurumin’s register of members as the holder of the number of Remaining Consideration Shares issued; and*

(ii) *provide a holding statement in respect of the Remaining Consideration Shares issued to the Seller or, if that is not possible, evidence to the Seller that Aurumin’s share registrar has been irrevocably instructed to dispatch to the Seller (on the date of issue of the Remaining Consideration Shares) a holding statement in respect of the Remaining Consideration Shares.*

- (b) *The Parties confirm that the Voluntary Escrow Period that is to apply to each Remaining Consideration Share issued pursuant to clause 35 shall commence on the date of Completion regardless of the date of issue.”*

4. Variation of clause 35

- (a) The last sentence in clause 35 of the Agreement is deleted and replaced with:

“In the event the Condition Subsequent is not satisfied by 30 April 2022, the Buyer must within three Business Days pay the Seller in cash the value of the Remaining Consideration Shares (being at the agreed deemed value of \$0.20 per Remaining Consideration Share).”

- (b) The Parties agree that the value of the Remaining Shares as referred to in paragraph 4(a) above is a debt due and payable to the Seller by the Buyer on and from the date of Completion.

5. Controlled Monies Account; Payment and release of Subscription Funds

- (a) The Parties agree that:

(i) the Seller shall transfer to the Controlled Monies Account the Subscription Funds (in cleared funds) on the earlier of:

(A) the date notified to the Seller by Lazarus pursuant to the Sub-underwriting Agreement; and

- (B) the date that is three Business Days prior to the agreed Completion Date, being 17 March 2022 (or if Completion actually occurs earlier than 17 March 2022, then three Business Days prior to that earlier date of Completion);
 - (ii) the Subscription Funds must not be released from the Controlled Monies Account except as permitted by paragraphs 5(a)(iii) or 5(a)(v) below;
 - (iii) with effect on and from Completion, the Seller is automatically deemed to have authorised the release of the Subscription Funds from the Controlled Monies Account to Aurumin;
 - (iv) if the Subscription Funds are released to Aurumin as permitted by paragraph 5(a)(iii) above, Aurumin must apply the Subscription Funds principally towards satisfying the Completion Payment, funding exploration and development on Aurumin's projects and for general working capital; and
 - (v) notwithstanding anything else in this Letter or the Agreement, if the Subscription Funds have not been released to Aurumin as permitted by paragraph 5(a)(iii) above by 6:00pm WST on 17 March 2022 the Subscription Funds must be repaid to the Buyer immediately in full without any setoff or reduction whatsoever, and none of Aurumin or the Buyer shall have any interest therein or claim in respect thereof. The officers of the Buyer that sign this Letter warrant, represent and covenant in favour of the Seller that they will procure and ensure that the Buyer and Aurumin complies with this obligation without delay.
- (b) Aurumin and the Buyer each agree, covenant, warrant and represent that:
- (i) the Controlled Monies Account was established by Aurumin to receive and hold funds from subscribers for Aurumin Shares pursuant to the Placement and Entitlement Issue on the condition that the subscribed funds be principally applied towards satisfying the Completion Payment, funding exploration and development on Aurumin's projects and for general working capital;
 - (ii) at all times, funds in the Controlled Monies Account will be held:
 - A. separately from other funds of Aurumin or the Buyer; and
 - B. principally applied towards satisfying the Completion Payment, funding exploration and development of Aurumin's projects and for general working capital (and in the case of the Subscription Amount, also as described in paragraph 5(a)(v) of this Letter).

6. Escrow of Aurumin Shares issued under Sub-underwriting Agreement

The Parties agree and confirm that the Consideration Shares are the only Aurumin Shares which are to be subject to the escrow arrangements provided for in clause 13 of the Agreement.

7. Miscellaneous

- (a) Where there is any inconsistency between the terms of this Letter and the Agreement, this Letter will prevail to the extent of the inconsistency
- (b) Except as modified by this Letter, the Agreement continues in full force and effect, and the Parties hereby confirm their respective obligations, covenants, rights, powers and duties pursuant to the Agreement as modified or varied by this Letter.
- (c) This Letter cannot be amended or varied except in writing signed by the Parties.
- (d) This Letter is governed by and must be construed in accordance with the laws of Western Australia.
- (e) Each Party must promptly execute all documents and do all things that another Party reasonably requests to effect or complete this Letter and all transactions contemplated by it.
- (f) Time is of the essence in respects of all matters referred to this Letter.
- (g) This Letter is executed as a deed and may consist of a number of signed counterparts. All counterparts together constitute one document.

Yours faithfully

Mr Brad Valiukas
Managing Director
Aurumin Limited

By countersigning this letter, each Party accepts and agrees to the terms of this Letter.

Aurumin

Signed, sealed and delivered by **Aurumin**)
Limited ACN 639 427 099 pursuant to)
section 127 of the *Corporations Act 2001*)
(Cth):)



Signature of Director

Brad Valiukas

Name of Director (print)



Signature of Director/Secretary

Piers Lewis

Name of Director/Secretary (print)

Buyer

Signed, sealed and delivered by **Aurumin**)
Australia Pty Ltd ACN 639 573 390)
pursuant to section 127 of the *Corporations*)
Act 2001 (Cth):)



Signature of Sole Director

Brad Valiukas

Name of Sole Director (print)

Signature of Director/Secretary

Name of Director/Secretary (print)

Seller

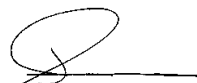
Signed, sealed and delivered by **Middle**)
Island Resources Limited ACN 142 361)
608 pursuant to section 127 of the)
Corporations Act 2001 (Cth):)



Signature of Director

Brad Marwood

Name of Director (print)



Signature of ~~Director~~/Secretary

Rudolf Tieleman

Name of ~~Director~~/Secretary (print)

Target

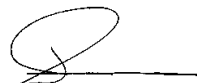
Signed, sealed and delivered by **Sandstone**)
Operations Pty Ltd ACN 611 811 280)
pursuant to section 127 of the *Corporations*)
Act 2001 (Cth):)



Signature of Director

Brad Marwood

Name of Director (print)



Signature of ~~Director~~/Secretary

Rudolf Tieleman

Name of ~~Director~~/Secretary (print)

Schedule 4 Sub-underwriting Agreement

Please refer to next page.



PLEASE SIGN AND RETURN THE CONFIRMATION ADVICE

TO CORPORATE@LAZARUSCF.COM.AU

BY 11AM AWST WEDNESDAY 9 FEBRUARY 2022

8 FEBRUARY 2022

PRIVATE AND CONFIDENTIAL

Middle Island Resources Limited
Brad Marwood

Email: Bmarwood@corporateminig.com

Dear Brad

AURUMIN LIMITED (AUN.ASX)
ENTITLEMENT ISSUE PRIORITY SUB-UNDERWRITING CONFIRMATION

1. OFFER BY THE COMPANY

For the avoidance of doubt, this letter replaces the Entitlement Issue Priority Sub-Underwriting Confirmation Letter between Lazarus and Middle Island dated 15 December 2021.

We refer to our recent discussions in relation to Aurumin Limited (**Aurumin** or the **Company**).

Aurumin has entered into a term sheet to acquire gold exploration and development assets from Middle Island Resources Limited (**Middle Island Transaction**). In order to fund the Middle Island Transaction, Aurumin has executed a convertible note agreement (A\$5 million), undertaken a share placement (A\$2.5 million, completed) and also launched a A\$5 million via a non-renounceable **entitlement issue** at an issue price of \$0.20 per New Share (**Issue Price**) (**Offer**).

Lazarus Corporate Finance Pty Ltd (**Lazarus**) has been engaged as Lead Manager and partial Underwriter to the Entitlement Issue. It is expected that shareholders will be given the ability to apply for shares over and above their entitlement (**Top-Up Facility**).

Lazarus has entered into an underwriting agreement with Aurumin pursuant to which Lazarus has agreed to partially underwrite the Entitlement Issue to A\$2.0 million (**Underwritten Amount**).

The proceeds from the Offer will be used towards the Middle Island Transaction, exploration, general working capital and offer costs.

If the value of the Shares applied for by the Company's shareholders in the Entitlement Issue is less than the Underwritten Amount, this will result in the Company issuing to the Underwriter a number of shortfall shares (**Shortfall Shares**).

Priority sub-underwriters will receive shortfall from the Offer in priority to general sub-underwriters.

2. PURPOSE OF THIS LETTER

The purposes of this confirmation letter (**Priority Sub-Underwriting Confirmation Letter**) are to:

- (a) re-confirm your participation as a Priority sub-underwriter in relation to the Entitlement Issue up to the maximum number of Shortfall Shares set out in section 3 below; and
- (b) re-confirm your irrevocable agreement to subscribe and pay for up to that number of Shortfall Shares in accordance with and subject to the terms of this Priority Sub-Underwriting Confirmation Letter conditional upon the Middle Island Transaction completing (such conditional but otherwise irrevocable agreement to subscribe and pay being your **Priority Sub-Underwriting Firm Commitment**).

3. PRIORITY SUB-UNDERWRITING FIRM COMMITMENT

Lazarus is pleased to re-confirm your Priority Sub-Underwriting Firm Commitment and your Maximum Total Subscription Amount in relation to your Priority Sub-Underwriting Firm Commitment as follows:

Your Priority Sub-Underwriting Firm Commitment	5,000,000 Shares
Your Maximum Total Subscription Amount	A\$1,000,000.00

Your Priority Sub-Underwriting Firm Commitment represents the maximum number of Shortfall Shares you may be required to subscribe for.

If you are a shareholder, Your Priority Sub-Underwriting Firm Commitment will be reduced by the number of Shares that you subscribe for and are issued as acceptance of entitlements under the Offer. You must send Lazarus proof of your acceptance of entitlements and a funds transfer receipt in order for Your Priority Sub-Underwriting Firm Commitment to be reduced under this clause.

Shares subscribed for by existing shareholders in the Entitlement Issue will go in relief of the Underwriter's obligation to subscribe for Shortfall Shares. If and only if the funds are exclusively used for the Middle Island Transaction, and if there is a Shortfall and Lazarus is obliged to subscribe or procure subscribers for any Shortfall Shares pursuant to the Underwriting Agreement, then you agree to subscribe (pro rata) for that number of Priority Sub-Underwriting Firm Commitment Shortfall Shares as bears the same ratio to 5,000,000 as the number of Shortfall Shares bears to 10,000,000. The funds subscribed must be paid towards the Completion Payment under the Middle Island Transaction.

If the number of Shortfall Shares allocated to the Underwriter is less than the priority sub-underwriter pool, the number of Shortfall Shares allocated to you will be less than Your Priority Sub-Underwriting Firm Commitment.

If there is a Shortfall, Lazarus shall attempt to notify you on the Entitlement Issue Shortfall Notification Date of the number of Shortfall Shares for which you must subscribe, as set out above, and your Subscription Amount that is due. **Shortfall settlement instructions will be provided on the Entitlement Issue Shortfall Notification Date.**

4. INDICATIVE TIMETABLE

ASX announcement of Offer & Middle Island Transaction	Thursday, 16 December 2021
Lodgement of Prospectus	14 January 2022
Entitlement Offer Closing Date (Extended Closing Date)	Expected to be Thursday, 24 February 2022
Shortfall Notification Date	Friday, 25 February 2022
Funds due	Tuesday, 1 March 2022
Issue of Shares	Thursday, 3 March 2022

Please note that the above times may change without consultation with you and, subject to the terms of this Priority Sub-Underwriting Confirmation Letter, you are bound by the agreement arising from your previous agreement to participate as a priority Sub-Underwriter of the Entitlement Issue notwithstanding any such changes to the timetable.

5. CESSATION OF YOUR OBLIGATIONS IN RESPECT OF SUB-UNDERWRITING

Your obligations in respect of your Sub-Underwriting Firm Commitment under this Priority Sub-Underwriting Confirmation Letter will terminate only if Lazarus' obligations under the Underwriting Agreement cease or are terminated (and Lazarus subsequently advises you that your obligations have terminated) or if the Middle Island Transaction does not complete when due.

Lazarus will have absolute discretion as to whether or not to rely upon its right to elect that its obligations shall cease or to terminate its obligations in the circumstances contemplated by the Underwriting Agreement. Lazarus discretion as to whether or not to terminate the Underwriting Agreement will be absolute and you will not have any claim of any kind against Lazarus as a result of the exercise of that discretion. The exercise of right of termination, waiver of any condition precedent or any other right, approval or consent under the Underwriting Agreement will be at the sole discretion of Lazarus. If Lazarus chooses to waive a condition precedent or not to terminate the Underwriting Agreement (where Lazarus is entitled to do so) you will be bound by that decision and you must fulfil your obligations under this Priority Sub-Underwriting Confirmation Letter, including your Sub-Underwriting Firm Commitment.

6. RETURN OF CONFIRMATION ADVICE

Please sign and return a copy of the attached Confirmation Advice to Lazarus, via email to Corporate@Lazaruscf.com.au by 11AM AWST WEDNESDAY 9 FEBRUARY 2022.

The attached Confirmation Advice incorporates by reference the representations, warranties and agreements in this Priority Sub-Underwriting Confirmation Letter.

7. REPRESENTATIONS, WARRANTIES AND AGREEMENTS BY INVESTORS

You represent, warrant and agree for the benefit of the Company, Lazarus and their respective affiliates and “Related Bodies Corporate” (within the meaning of the Corporations Act 2001 (Cth) as amended (**Corporations Act**), and respective officers, employees and advisers, and any person acting on behalf of them (together the **Beneficiaries**), that as at the date of this Priority Sub-Underwriting Confirmation Letter, and as at the date of settlement of any Shortfall Shares, that:

- (i) You have made and relied upon your own assessment of the Company and have conducted your own investigations with respect to the Company.
- (ii) You and your related entities are either sophisticated investors pursuant to Section 708(8) or professional investors pursuant to Section 708(11) or otherwise qualify pursuant to Section 708 of the Corporations Act. Only sub-underwriters who qualify in this regard can accept the Sub-Underwriting Firm Commitment.
- (i) You must provide, as requested, documentation satisfactory to Lazarus that they fully qualify as an investor of a type that complies with all relevant provisions of the Corporations Act and in particular Section 708 by accepting this Sub-Underwriting Firm Commitment.
- (iii) If you are outside of Australia, you are a person whom the Shortfall Shares may be lawfully issued without the need to lodge or register any circular or disclosure document in any jurisdiction in connection with the Entitlement Issue.
- (iv) Nothing in this Priority Sub-Underwriting Confirmation Letter constitutes a securities recommendation.
- (v) An investment in Shortfall Shares in the Company involves a degree of risk and that the Shortfall Shares are, therefore, a speculative investment.
- (vi) Except for any liability which cannot by law be excluded, you acknowledge that none of the Beneficiaries accept any responsibility in relation to your Sub-Underwriting Firm Commitment and your subscription for Shortfall Shares.
- (vii) You are duly and lawfully empowered to enter into this Priority Sub-Underwriting Confirmation Letter and perform each and every obligation on your part contained in this Priority Sub-Underwriting Confirmation Letter in accordance with all applicable laws of Australia.

8. INTERNATIONAL OFFER RESTRICTIONS

The Shares or the Shortfall Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (**the Securities Act**), or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the Shortfall Shares may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) (**U.S. Persons**), except that Lazarus may offer and sell Shortfall Shares to persons outside the United States, to persons that are not U.S. Persons or acting for the account or benefit of U.S. Persons, in “offshore transactions” (as defined in Rule 902(h) under the Securities Act), pursuant to Regulation S under the Securities Act.

9. INDEMNITY

You agree to indemnify and hold harmless the Beneficiaries against all claims, demands, damages, costs, losses, expenses and liabilities (including reasonable legal costs and expenses) which may

be imposed on, incurred by or assessed against any Beneficiary in any way relating to or arising out, directly or indirectly, of any breach by you of your acknowledgements, representations, warranties and agreements under this Priority Sub-Underwriting Confirmation Letter. Lazarus holds the benefit of your indemnity for each other Indemnified Party. This indemnity extends to the maximum extent permitted by law and remains in full force and effect notwithstanding termination (for whatever cause) of this Priority Sub-Underwriting Confirmation Letter and your Sub-Underwriting Firm Commitment.

10. LAZARUS DISCLOSURES

In consideration for acting as Lead Manager and Underwriter to the Offer, Lazarus will receive a maximum fee of 6.0 % of the funds raised in the Offer (before payaways to sub-underwriters / participating brokers, plus 2.5 million Broker Options (3 years, \$0.30). For example, assuming a sub-underwriting allocation in the Offer for the value \$50,000, Lazarus will receive fees of \$3,000 plus GST (if applicable) on this allocation. Lazarus acting as principal, its Directors and representatives may participate in the Offer. The Directors and representatives of Lazarus advise that they and persons associated with them may have an interest in the securities, the subject of the Offer and that they may earn brokerage, commissions, fees and other benefits and advantages, whether pecuniary or not and whether direct or indirect, in connection with the making of a recommendation or a dealing by a client in these Securities, and which may reasonably be expected to be capable of having an influence in the making of any recommendation, and that some or all of our staff and representatives may be remunerated wholly or partly by way of commission or bonuses.

11. GENERAL MATTERS

This Priority Sub-Underwriting Confirmation Letter is governed by the laws of Western Australia and you agree to submit to the non-exclusive jurisdiction of the Courts of Western Australia.

You acknowledge and agree that you are liable for your own costs and fees (including, without limitation, legal costs) in relation to this Priority Sub-Underwriting Confirmation Letter.

This Priority Sub-Underwriting Confirmation Letter constitutes the full and complete understanding between Lazarus and you in relation to the subject matter of this Priority Sub-Underwriting Confirmation Letter and supersedes all prior negotiations, understandings and agreements in relation to the subject matter of this Priority Sub-Underwriting Confirmation Letter.

Except for any liability which by law cannot be excluded, Lazarus accepts no responsibility for the contents of any materials or documentation in relation to the Entitlement Issue (**Disclosure Material**). Lazarus has not caused or authorised the issue of the Disclosure Material.

You acknowledge that in certain circumstances the Company may be required to issue supplementary or replacement Disclosure Materials. You confirm that if supplementary or replacement Disclosure Materials are issued, you will still be bound by your Sub-Underwriting Firm Commitment (subject to your liability ceasing in accordance with the provisions of this Priority Sub-Underwriting Confirmation Letter).

12. SETTLEMENT

You will be required, unless you are otherwise advised, to lodge with Lazarus, on a date to be advised, a valid application for the number of Shortfall Shares to be determined in accordance with this Priority Sub-Underwriting Confirmation Letter to settle your Shortfall Shares. **Shortfall settlement instructions will be provided on the date of notification of the Shortfall Shares.**

Yours faithfully
Lazarus Corporate Finance Pty Ltd

ENTITLEMENT ISSUE SUB-UNDERWRITING CONFIRMATION ADVICE

Aurumin Limited (AUN.ASX)

Private and Confidential

To: Lazarus Corporate Finance Pty Ltd

Attention: Ellinor Jonsson

Email: Corporate@Lazaruscf.com.au

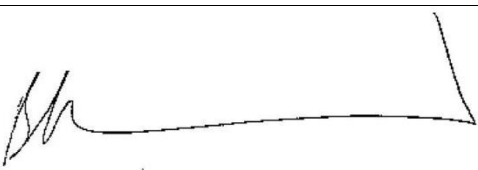
I/We acknowledge receipt of your letter dated Tuesday 8 February 2022 (**Priority Sub-Underwriting Confirmation Letter**) confirming my/our Sub-Underwriting Firm Commitment regarding the Entitlement Issue offered by Aurumin Limited (AUN.ASX) (**Entitlement Issue**).

I/We are pleased to re-confirm my/our Priority Sub-Underwriting Firm Commitment set out in the Priority Sub-Underwriting Confirmation Letter and confirm my/our irrevocable agreement to subscribe for Shortfall Shares up to the maximum number and dollar value set out below in accordance with the terms and conditions of the Priority Sub-Underwriting Confirmation Letter.

Your Priority Sub-Underwriting Firm Commitment 5,000,000 Shares

Your Maximum Total Subscription Amount A\$1,000,000.00

In connection with our subscription for Shortfall Shares (if required), the undersigned hereby represents, warrants and agrees, for the benefit of the Company, Lazarus and their respective affiliates, the various representations, warranties and agreements set out in the Priority Sub-Underwriting Confirmation Letter. I/We confirm our agreement set out above and understand my/our sub-underwriting and settlement obligations.

Applicant	Middle Island Resources Limited		
Name	Brad Marwood		
Signature		Date	9 Feb 2022

The Authorised Signatory represents and warrants that he/she is duly authorised to give the above acknowledgement.

PLEASE SIGN AND RETURN THE CONFIRMATION ADVICE

TO CORPORATE@LAZARUSCF.COM.AU

BY 11AM AWST WEDNESDAY 9 FEBRUARY 2022

Schedule 5 Voluntary Escrow Agreement

Please refer to next page.

- (1) **AURUMIN LIMITED ACN 639 427 099**
- (2) **HOLDER (SET OUT IN SCHEDULE 1)**

VOLUNTARY ESCROW DEED

CONTENTS

1. Definitions	3
2. Interpretation	4
3. Escrow Restrictions	6
<i>Controller Escrow</i>	6
4. Exceptions	6
<i>General</i>	6
5. Holding Lock	8
6. Warranties and undertaking	8
<i>Warranties</i>	8
7. Confidentiality	9
8. Notices	9
9. General	10
SCHEDULE	13
EXECUTION PAGE	14

THIS VOLUNTARY ESCROW DEED is dated 18th February 2022

BETWEEN

- (1) **AURUMIN LIMITED** (ACN 639 427 099) of C/- Smallcap Corporate Pty Ltd, Unit 1, 295 Rokeby Road, Subiaco, WA 6008 ("**Company**")
- (2) **THE HOLDER SET OUT IN SCHEDULE 1** ("**Holder**")

BACKGROUND

- (A) The Holder has agreed with the Company to place its Escrow Securities in voluntary escrow for the Escrow Period on the terms set out in this deed.

TERMS AGREED

1. Definitions

In this deed, unless context indicates a contrary intention:

Affiliate	any other person which directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, the Holder (for the purposes of this definition, "Control" (including, with correlative meanings the term "Controlling", "Controlled by" and "under common Control with") as used with respect to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such person, whether through the ownership of securities, by agreement or otherwise);
ASX	ASX Limited;
ASX Listing Rules	the listing rules of the ASX, as amended from time to time;
ASX Settlement	ASX Settlement Pty Ltd (ACN 008 504 532);
ASX Settlement Rules	means the operating rules of the settlement facility provided by ASX Settlement;
Business Day	means a day upon which ASX is open for trading;
CHESS	The Clearing House Electronic Subregister System as defined in the ASX Settlement Rules;
Controller	means the entity named as such in item 3 of the schedule;
Controller Interests	the Controller's relevant interest, substantial economic interest or other interests in the Escrow Securities and each intermediate entity through which those interests occur;

Corporations Act	means the <i>Corporations Act 2001</i> ;
Deal	<p>(a) sell, assign, transfer or otherwise dispose of;</p> <p>(b) agree or offer to sell, assign, transfer or otherwise dispose of;</p> <p>(c) enter into any option which, if exercised, enables or requires the Holder to sell, assign, transfer or otherwise dispose of</p> <p>and Dealing has a corresponding meaning.</p>
Escrow Period	the period set out in item 4 of the schedule;
Escrow Securities	the securities set out in item 5 of the schedule (as appropriately adjusted in accordance with the ASX Listing Rules and applicable law for any reorganisation of capital undertaken by the Company);
Holding Lock	has the meaning given to that term in the ASX Listing Rules;
PPSA	means the <i>Personal Property Securities Act 2009</i> ;
Security Interest	<p>an interest or power:</p> <p>(a) reserved in or over an interest in any asset including, but not limited to, any retention of title; or</p> <p>(b) created or otherwise arising in or over any interest in any asset under the PPSA, a bill of sale, mortgage, lien, pledge, trust or power,</p> <p>by way of security for payment of a debt or other monetary obligation or the performance of any other obligation and includes, but is not limited to, any agreement to grant or create any of the above;</p>
Shares	fully paid ordinary shares in the capital of the Company; and
SPA	means the Binding Share Purchase Agreement between Middle Island Resources Limited, the Company and others dated 7 December 2021 (as varied by way of letter agreements dated 19 January 2022 and 9 February 2022).

2. Interpretation

In this deed, unless context indicates a contrary intention:

- 2.1 **Documents:** A reference to this deed or another document includes any document which varies, supplements, replaces, assigns or novates this deed or that other document.

- 2.2 **References:** A reference to a party, clause, paragraph, schedule or annexure is a reference to a party, clause, paragraph, schedule or annexure to or of this deed.
- 2.3 **Headings:** Clause headings and the table of contents are inserted for convenience only and do not affect interpretation of this deed.
- 2.4 **Person:** A reference to a person includes a natural person, corporation, statutory corporation, partnership, the Crown and any other organisation or legal entity and their personal representatives, successors, substitutes (including persons taking by novation) and permitted assigns.
- 2.5 **Party:** A reference to a party to a document includes that party's personal representatives, executors, administrators, successors, substitutes (including persons taking by novation) and permitted assigns.
- 2.6 **Including:** Including and includes are not words of limitation, and a list of examples is not limited to those items or to items of a similar kind.
- 2.7 **Corresponding meanings:** A word that is derived from a defined word has a corresponding meaning.
- 2.8 **Singular:** The singular includes the plural and vice-versa.
- 2.9 **Gender:** Words importing one gender include all other genders.
- 2.10 **Rules of construction:** Neither this deed nor any part of it is to be construed against a party on the basis that the party or its lawyers were responsible for its drafting.
- 2.11 **Legislation:** A reference to any legislation or provision of legislation includes all amendments, consolidations or replacements and all regulations or instruments issued under it.
- 2.12 **Time and date:** A reference to a time or date in connection with the performance of an obligation by a party is a reference to the time and date in Perth, Australia, even if the obligation is to be performed elsewhere.
- 2.13 **Writing:** A reference to a notice, consent, request, approval or other communication under this deed or an agreement between the parties means a written notice, request, consent, approval or agreement.
- 2.14 **Australian currency:** A reference to dollars or \$ is to Australian currency.
- 2.15 **Time for doing acts:**
- 2.15.1 If the time for doing any act or thing required to be done or a notice period specified in this deed expires on a day other than a Business Day, the time for doing that act or thing or the expiration of that notice period is extended until the following Business Day.
- 2.15.2 If any act or thing required to be done is done after 5:00 pm on the specified day, it is taken to have been done on the following Business Day.

3. **Escrow Restrictions**

Holder Escrow

- 3.1 During the Escrow Period, the Holder will not do any of the following:
 - 3.1.1 dispose of, or agree or offer to dispose of, the Escrow Securities;
 - 3.1.2 create, or agree or offer to create, any Security Interest in the Escrow Securities; and
 - 3.1.3 do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of the Escrow Securities.

Controller Escrow

- 3.2 During the Escrow Period, the Controller will not do any of the following:
 - 3.2.1 dispose of, or agree or offer to dispose of, the Controller Interests;
 - 3.2.2 create, or agree or offer to create, any Security Interest in the Controller Interests; and
 - 3.2.3 do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of the Controller Interests.

4. **Exceptions**

General

- 4.1 Nothing in clause 3 prevents the Holder or the Controller from Dealing with any or all of the Escrow Securities if and to the extent required by any applicable law or the ASX Listing Rules or permitted under the Corporations Act.

Takeovers

- 4.2 The Holder or Controller may Deal in any or all of the Escrow Securities or Controller Interests (as the case may be) during the Escrow Period:
 - 4.2.1 if at any time any person makes a takeover bid in respect of Shares; and
 - 4.2.2 acceptances of that bid are received from the holders of 50% or more of the Shares, excluding Shares the holders of which have entered into an arrangement with the Company on similar terms to this deed (and which arrangement remains in place at the time the takeover bid is made).

Scheme of Arrangement

- 4.3 The Holder or Controller may Deal in any or all of the Escrow Securities or Controller Interests (as the case may be) during the Escrow Period if at any time the Escrow Securities or Controller Interests (as the case may be) are to be Dealt with, transferred or cancelled as part of a merger being implemented by scheme of arrangement under Part 5.1 of the Corporations Act, share buyback or other similar reorganisation or acquisition of share capital which has received all necessary approvals.

Required by Law

- 4.4 During the Escrow Period, the Holder or Controller may deal in any of its Escrow Securities or Controller Interests (as the case may be) to the extent the dealing is required by applicable law or the ASX Listing Rules (including an order of a court of competent jurisdiction).

Controller Reorganisation

- 4.5 Subject to receiving the prior written approval of the Company, during the Escrow Period, the Holder or Controller may dispose of or Deal with any of its Escrow Securities or Controller Interests (as the case may be) if the disposal or Dealing constitutes a disposal of, but not the creation of a Security Interest in, some or all of the Escrow Securities to:

- 4.5.1 a company wholly-owned by the Holder;
 - 4.5.2 a trust in relation to which the Holder is the beneficiary;
 - 4.5.3 an Affiliate of the Holder; or
 - 4.5.4 any custodian which is to hold bare legal title to the Escrow Securities,
- (each a **Transferee**), where the Transferee also enters into an escrow arrangement with the Company in respect of those Escrow Securities on substantially the same terms as this deed for the remainder of the Escrow Period.

Consent

- 4.6 During the Escrow Period, the Holder or Controller may Dispose any of its Escrow Securities or Controller Interests (as the case may be) with the prior written approval of the Company.

Reinstatement of no Dealing undertaking

- 4.7 If a takeover bid contemplated by clause 4.2 is unsuccessful or a scheme of arrangement contemplated by clause 4.3 does not take effect, the escrow restrictions (including the no Dealing obligations) in clause 3 will be reinstated for the remainder of the Escrow Period.

Contravention of this Deed

- 4.8 If the Holder or Controller contravenes this deed, the Company may, in addition to its rights and remedies at common law or in equity, refuse to acknowledge, deal with, accept or register any sale, assignment or transfer of the Escrow Securities or any part thereof or any interest or right in respect of Escrow Securities or any part thereof, held by the Holder, that are the subject of such contravention.

Entitlements

- 4.9 No provision of clause 3 or any other provision of this deed will be taken to restrict the Holder from:

- 4.9.1 exercising any voting rights attaching to the Escrow Securities;
- 4.9.2 receiving or being entitled to any dividend, return of capital or other distribution attaching to the Escrow Securities; or
- 4.9.3 receiving or participating in any right or bonus issue in connection with the Escrow Securities.

5. **Holding Lock**

Apply for Holding Lock

- 5.1 The Company will apply a Holding Lock to the Escrow Securities during the Escrow Period (if the securities are held on an issuer sponsored sub-register) or give notice to ASX Settlement requesting it to apply a holding lock (if the securities are in a CHESS holding).

Consent to Holding Lock

- 5.2 During the Escrow Period, the Holder consents to:
 - 5.2.1 the Company entering the Escrow Securities on the Company's issuer sponsored sub-register; and
 - 5.2.2 the application of a holding lock to the Escrow Securities.

Removal of Holding Lock

- 5.3 The Company must without delay remove the Holding Lock with respect to the Escrow Securities if the disposal or Dealing is permitted under this deed.
- 5.4 The Company must remove the Holding Lock with respect to the Escrow Securities on the Business Day after the end of the Escrow Period.

6. **Warranties and undertaking**

Warranties

- 6.1 Each party represents and warrants for the benefit of the other party to this deed that the following is true and correct at the date of this deed:
 - 6.1.1 it has the power to enter into and perform this deed and to perform and observe all of its terms and has obtained all necessary consents to enable it to do so;
 - 6.1.2 it has duly executed this deed and this deed is a legal, valid and binding obligation enforceable against it in accordance with the terms of this deed;
 - 6.1.3 the entry into and performance of this deed does not constitute a breach of any obligation (including any statutory, contractual or fiduciary obligation), or default under any agreement or undertaking, by which the party or its assets are bound; and
 - 6.1.4 neither party has created, agreed to, or offered to create, any Security Interest in the Escrow Securities, and there are no Security Interest granted by the

Holder or the Controller in respect of the Escrow Securities as at the date of this deed;

6.1.5 where the party is a body corporate:

6.1.5.1 it is a body corporate duly incorporated under laws of the jurisdiction of its incorporation; and

6.1.5.2 it has taken all necessary corporate action to authorise the execution and performance of this deed.

7. Confidentiality

7.1 The parties agree to keep confidential all information, and to not make press or other announcements or releases, relating to this deed and the transactions contemplated by it (including the execution of documents) other than as required by law or the ASX Listing Rules.

8. Notices

Notices Requirements

8.1 Any notice, demand, approval, consent or other communication under this deed (**Notice**) must be in writing and must be delivered:

8.1.1 by hand;

8.1.2 by email; or

8.1.3 by prepaid registered post,

to a party at:

8.1.4 the address of the party set out in the schedule for that party (**Nominated Contact Details**); or

8.1.5 such other contact details as the party may from time to time notify to the other party for the purposes of and in accordance with, this clause.

8.2 A Notice given in accordance with clause 8.1 takes effect when received (or such later time as specified in it), and is taken to be received:

8.2.1 if hand delivered, on delivery;

8.2.2 if sent from and to a place within Australia by regular post, at 9:00 am on the sixth Business Day after the date of posting; and

8.2.3 if sent by email, one Business Day after the date shown on the email of the sender, unless:

8.2.3.1 the sender receives an automated notification that the email has not been received by the intended recipient, in which case the notice is deemed to not have been served at the time of sending;
or

8.2.3.2 receipt is acknowledged by the recipient sooner than one Business Day, in which case the notice is deemed to have been served at the time the receipt is acknowledged,

but if the delivery or receipt is on a day that is not a Business Day in the addressee's jurisdiction or is after 5:00 pm (addressee's time) it is regarded as received at 9:00 am on the following Business Day in the addressee's jurisdiction.

9. General

Exercise of Rights

9.1 A party may exercise a right, power or remedy at its discretion, and separately or concurrently with another right, power or remedy. A single or partial exercise of a right, power or remedy by a party does not prevent a further exercise of that or of any other right, power or remedy. Failure by a party to exercise or delay in exercising a right power or remedy does not prevent its exercise.

No Waiver

9.2 A party may not rely on the words or conduct (including a delay in the exercise, a non-exercise or a partial exercise of a right) of any other party as a waiver of any right arising under or in connection with this deed (including a right to rely on this clause) unless the waiver is in writing and signed by the party granting the waiver.

9.3 In clause 9.2 the term "waiver" is intended to include an election between rights and remedies as well as conduct which might otherwise give rise to an estoppel.

9.4 A waiver is only effective in relation to the particular obligation or breach in respect of which it is given and is not to be taken as an implied waiver of any other obligation or breach or as an implied waiver of that obligation or broach in relation to any other occasion.

No Variation

9.5 A variation of any term of this deed will have no force or effect unless it is by way of deed and signed by each of the parties.

Further Assurances

9.6 Each party must at its own expense, do all things and execute all further documents necessary to give full effect to this deed and the transactions contemplated by it.

Counterparts

9.7 This deed may be executed in any number of counterparts, each signed by one or more parties. Each counterpart when so executed is deemed to be an original and all such counterparts taken together constitute one document.

9.8 A party that has executed a counterpart of this deed may exchange that counterpart with another party by emailing it to the other party or the other party's legal

representative and, if that other party requests it, promptly delivering that executed counterpart by hand or post to the other party or the other party's legal representative. The validity of this deed is not affected if the party who has emailed the counterpart delays in delivering or does not deliver it by hand or by post.

Approvals and Consents

- 9.9 A party may give conditionally or unconditionally or withhold its approval or consent in its absolute discretion unless this deed expressly provides otherwise.

Remedies Cumulative

- 9.10 The rights, powers and remedies provided in this deed are cumulative with and not exclusive of the rights, powers or remedies provided by law independently of this deed.

Specific Performance

- 9.11 The parties agree that irreparable damage may occur if any of the provisions of this deed are not performed in accordance with their specific terms or were otherwise breached. The parties agree that the parties are entitled to seek an injunction or injunctions to prevent breaches of this deed and to enforce specifically the terms and provisions of this deed, this being in addition to any other remedy to which the parties are entitled at law or in equity.

Severability

- 9.12 If a provision in this deed is wholly or partly void, illegal or unenforceable in any relevant jurisdiction that provision or part must, to that extent and for the period void, illegal or unenforceable, be treated as deleted from this deed for the purposes of that jurisdiction. This does not affect the validity or enforceability of the remainder of the provision or any other provision of this deed.
- 9.13 Clause 9.12 does not apply and has no effect if severance of the provision of this deed in accordance with clause 9.12 materially affects or alters the nature or effect of the parties' obligations under this deed.

Costs and Duty

- 9.14 Unless otherwise provided for in this deed, each party must bear its own costs in relation to the negotiation, preparation, execution and performance of this deed and any further document required in connection with it.
- 9.15 The Company must pay any stamp duty (including any fine or penalty) payable in respect of this deed.

Entire Agreement

- 9.16 This deed states all of the express terms agreed by the parties in respect of its subject matter. It supersedes all prior discussions, negotiations, understandings and agreements in respect of its subject matter.

Governing Law

- 9.17 This deed is governed by and is to be construed under the laws in force in Western Australia.
- 9.18 Each party submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Western Australia and courts of appeal from them in respect of any proceedings arising out of or in connection with this deed. Each party irrevocably waives any objection to the venue or any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

SCHEDULE

ITEM	REQUIREMENTS	PARTICULARS
1	Company name and address	Aurumin Limited ACN 639 427 099, C/o SmallCap Corporate, Suite 1, 295 Rokeby Road, Subiaco WA 6008
2	Holder's name and address	Middle Island Resources Limited can 142 361 608 of Suite 1, 2 Richardson Street, West Perth, WA 6005
3	Controllers' name and address	N/A
4	Escrow Period	12 months commencing on the Completion Date and ending on the anniversary of that date. The "Completion Date" is as defined in the SPA.
5	Particulars of Escrow Securities	Such number of shares issued by the Company to the Holder pursuant to clauses 10.3.6 and 35 of the SPA

EXECUTION PAGE

EXECUTED as a **DEED** by **AURUMIN LIMITED ACN 639 427 099** in accordance with section 127 of the *Corporations Act 2001* (Cth):

DIRECTOR

Signature:



Name (in block capitals):

BRAD VALIUKAS

DIRECTOR

Signature:



Name (in block capitals):

PIERS LEWIS

EXECUTED as a **DEED** by **MIDDLE ISLAND RESOURCES LIMITED ACN 142 361 608** in accordance with section 127 of the *Corporations Act 2001* (Cth):

DIRECTOR

Signature:

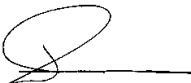


Name (in block capitals):

BRAD MARWOOD

**DIRECTOR/COMPANY
SECRETARY**

Signature:



Name (in block capitals):

RUDOLF TIELEMAN



ABN 64 639 427 099

AUN

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11:00am (AWST) on Wednesday, 27 April 2022.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Aurumin Limited hereby appoint

☐

the Chairman
of the Meeting

OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Aurumin Limited to be held at The Celtic Club, 48 Ord Street, West Perth, WA 6005 on Friday, 29 April 2022 at 11:00am (AWST) and at any adjournment or postponement of that meeting.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Approval of acquisition by Middle Island of a Relevant Interest in Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of acquisition by the Company of a Relevant Interest in Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

AUN

2 8 6 7 1 1 A



Computershare

