

DESOTO

RESOURCES



DESOTO RESOURCES LIMITED
ACN 658 510 242

PROSPECTUS

**For an offer of 40,000,000 Shares at
an issue price of \$0.20 per Share to
raise \$8,000,000 (Offer)**

Oversubscriptions of up to a further 20,000,000 Shares at an issue price of \$0.20 per Share to raise up to a further \$4,000,000 may be accepted.

The Offer is conditional upon satisfaction of the Conditions, which are detailed further in Section 4.7. No Shares will be issued pursuant to this Prospectus until those Conditions are met.

Lead Manager:



Supported by:



Legal Advisor:



IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Shares offered by this Prospectus should be considered as highly speculative.

IMPORTANT NOTICE

This Prospectus is dated 5 October 2022 and was lodged with the ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares offered under this Prospectus should be considered as highly speculative.

Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications for Shares under this Prospectus will not be accepted by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

No offering where offering would be illegal

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions, including those set out below. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether

any other formalities need to be considered and followed.

This Prospectus does not constitute an offer or invitation to apply for Shares in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. It is important that investors read this Prospectus in its entirety and seek professional advice where necessary.

No action or formality has been taken to register or qualify the Shares or the offer, or to otherwise permit a public offering of the Shares in any jurisdiction outside Australia.

This Prospectus has been prepared for publication in Australia and may not be distributed outside Australia.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.desotoresources.com. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to or accompanied by the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 8 6149 7516 during office hours or by emailing the Company at info@desotoresources.com

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

No document or other information available on the Company's website is incorporated into this Prospectus by reference.

No cooling-off rights

Cooling-off rights do not apply to an investment in Shares issued under this Prospectus. This means that, in most circumstances, you cannot withdraw your application once it has been accepted.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Shares under this Prospectus to determine whether an investment in the Company meets your objectives, financial situation and needs.

Risks

You should read this document in its entirety and, if in any doubt, consult your professional advisers before deciding whether to apply for Shares. There are risks associated with an investment in the Company. The Shares offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Shares. Refer to Section D of the Investment Overview as well as Section 7 for details relating to some of the key risk factors that should be considered by prospective investors. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

Forward-looking statements

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

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

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties,

assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

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

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

These forward-looking statements are subject to various risk factors that could cause the Company's performance and actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7.

Financial Forecasts

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

Competent Person's statement

The information in the Investment Overview Section of this Prospectus, included at Section 3, the Company and Project Overview, included at Section 5, and the Independent Technical Assessment Report, included at Annexure A of the Prospectus, which relate to exploration targets and exploration results is based on, and fairly represents, information and supporting documentation prepared by Justine Tracey. Justine Tracey has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral

Resources and Ore Reserves' (the **JORC Code**). Justine Tracey is a full-time employee of Snowden Optiro. Justine Tracey consents to the inclusion of the information in these Sections of this Prospectus in the form and context in which it appears.

Continuous disclosure obligations

Following Admission, the Company will be a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Shares.

Price sensitive information will be publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security

holding in the Company during the preceding month.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 12.

All references to time in this Prospectus are references to Australian Western Standard Time.

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your Shares in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact details set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on your application for Shares under this Prospectus, the Company may not be able to accept or process your application.

Use of Trademarks

This Prospectus includes the Company's registered and unregistered trademarks.

All other trademarks, tradenames and service marks appearing in this Prospectus are the property of their respective owners.

Enquiries

If you are unclear in relation to the matters raised in this Prospectus or are in doubt as to how to deal with it, you should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser

without delay. Should you have any questions in relation to the Offer or how to accept the Offer please contact the Company Secretary on +61 8 6149 7516.



CORPORATE DIRECTORY

Directors

Christopher Swallow*
Proposed Managing Director

Paul Roberts
Non-Executive Chairperson

Dr Barry Murphy
Non-Executive Director

Company Secretary

Tony Tomba

Proposed ASX Code

DES

Registered Office

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10 Outram Street
WEST PERTH WA 6005

Telephone: + 61 8 6149 7516

Email: info@desotoresources.com
Website: www.desotoresources.com

Legal adviser

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Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Investigating Accountant and Auditor

HLB Mann Judd
Level 4
130 Stirling Street
PERTH WA 6000

Independent Geologist

Snowden Optiro Pty Ltd
Level 5
580 Hay Street
PERTH WA 6000

Lead Manager

PAC Partners Securities Pty Ltd
Level 29
360 Collins Street
MELBOURNE VIC 3000
Telephone: + 61 3 9114 7419

DealAccess Pty Ltd
Level 29
360 Collins Street
MELBOURNE VIC 3000
Telephone: +61 3 9114 7419

Share Registry**

Automic Pty Ltd
Level 5
191 St Georges Terrace
PERTH WA 6000

Telephone: 1300 288 664

* Christopher Swallow will be appointed as a Director of DeSoto Resources, and commence his employment as Managing Director, upon the Company's admission to the Official List of the ASX.

** This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.

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1. LETTER FROM CHAIRPERSON

Dear Investor

On behalf of the Board of DeSoto Resources Limited (**Company** or **DeSoto**), I am pleased to present this Prospectus and to invite you to become a Shareholder in the Company.

DeSoto is a precious and battery-metal exploration Company with a 1,887km² landholding located in the Northern Territory's prolific Pine Creek gold and pegmatite province. The Company's immediate focus is the ongoing exploration of these exciting assets with an experienced Board that uses a distinctive exploration method and capability which sets us apart from our peers.

The Board of DeSoto believes that we will have sufficient resources to advance our projects and optimise our chances of making a significant discovery. The Company is noteworthy for its dedicated Board and management team, which collectively have many years of experience in the resources industry and a track-record of finding very large mineral deposits including the recent greenfields Bankan gold discovery in Guinea, West Africa.

Our projects lie in the Northern Territory's Pine Creek Orogen, with reported resources of over 17 million ounces of gold, following initial discovery from a hole dug during construction of the overland telegraph line in the 1870's.

A number of development projects are well advanced towards potential production in the Pine Creek Orogen, including a high-grade underground project at Toms Gully, the 9-million-ounce Mount Todd gold project near Katherine, and the polymetallic Hayes Creek project.

With the Company's large landholding, strong mineral-finding capability and a systematic geophysics-driven approach to gold exploration, we believe we are well positioned to make a large discovery in the Northern Territory's gold and lithium heart.

While gold-finding is in our DNA, the world is in transition to a low carbon emissions economy. At the forefront of this transition is the development of the global market for lithium batteries. This is reflected in the continued rise in the demand for lithium. The price for lithium carbonate has increased 432% over the past year and the Directors have confidence that this is the nascent stage of a long-term trend.

The potential for lithium discovery was first prompted by the Northern Territory Geological Survey in 1995 when it documented the region's historical production of tin and tantalum, two elements strongly associated with lithium in the Northern Territory. Importantly, the Fenix Tenements have notable tin occurrences and are in close proximity to the Mt Wells tin mine.

With notable lithium discoveries and developments, the Northern Territory Government is committed to supporting the growth of the critical minerals sector, to enable the Northern Territory to become a significant player in supply chains for materials to support emerging low-emissions industries such as renewable energy and electric vehicles. The Northern Territory has a number of advantages including the location of our known lithium deposits very close to port infrastructure, proximity to Asian markets and a supportive regulatory environment.

The Company has already uncovered some important indicators of lithium potential in our Northern Territory projects, including pegmatites in some historical core and known tin occurrences. We have also seen Core Lithium (ASX:CXO), which is developing the large Bynoe lithium deposit 130km to the northwest, acquire ground directly abutting our tenements recently, further supporting our belief in the lithium-tantalum potential of our ground.

The Company has entered into a Strategic Project Generation Agreement with Tier 1 Targeting Pty Ltd (**Tier 1**), a private company established by Dr Barry Murphy and Paul Roberts to identify new battery and precious metal opportunities globally. Tier 1 will actively acquire large country wide data sets to allow it to run systematic targeting methods, a process that has resulted in successful large scale mineral discoveries in recent years (refer to section 9.3.2 of this Prospectus for a summary of the Strategic Project Generation Agreement).

We look forward to progressing both our gold and lithium projects over the coming years and we expect to achieve significant exploration milestones which will require substantial management time and energy. As such, this Prospectus is seeking to raise \$8,000,000 and may accept oversubscriptions to raise a maximum of \$12,000,000 via the issue of Shares at an issue price of \$0.20 per Share under the Offer.

In addition, subject to completion of the Offer and listing on the ASX, the Company presently intends to undertake a pro-rata offer of loyalty options to existing shareholders registered on a record date proposed to be on or about 3 months from the date of listing (**Loyalty Options**). It is expected that these Loyalty Options will be issued at \$0.01 per Loyalty Option, on a 1 for 2 basis, with an exercise price of \$0.25 and expiring approximately five years from the date of issue. Subject to compliance with the Listing Rules, the Company also intends to apply for quotation of these Loyalty Options.

Detailed information about the Company's Projects is set out in the Independent Technical Assessment Report at Annexure A of this Prospectus.

This Prospectus also contains detailed information about the Offer and the current and proposed operations of the Company, as well as the risks pertaining to an investment in the Company. I encourage you to read it carefully.

The Shares offered by this Prospectus should be considered highly speculative. Potential investors in the Company should carefully consider those risks before making an investment decision and, if required, consult with a stockbroker, solicitor, accountant or other independent professional adviser.

I look forward to you joining us as a Shareholder and sharing in what we firmly believe will be an exciting and prospective future for the Company.

Yours faithfully,



Paul Roberts
Non-Executive Chairperson

2. KEY OFFER INFORMATION

INDICATIVE TIMETABLE¹

Lodgement of Prospectus with the ASIC	5 October 2022
Exposure Period begins	5 October 2022
Opening Date	13 October 2022
Closing Date	5pm (WST) on 10 November 2022
Issue of Shares under the Offer ²	11 November 2022
Despatch of holding statements	12 November 2022
Expected date for quotation on ASX	15 November 2022

1. The above dates are indicative only and may change without notice. Unless otherwise indicated, all times given are in WST. The Exposure Period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act. The Company reserves the right to extend the Closing Date or close the Offer early without prior notice. The Company also reserves the right not to proceed with the Offer at any time before the issue of Shares to applicants.
2. If the Offer is cancelled or withdrawn before completion of the Offer, then all application monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their applications as soon as possible after the Offer opens.

KEY STATISTICS OF THE OFFER

	Minimum Subscription (\$8,000,000) ¹	Maximum Subscription (\$12,000,000) ²
Offer Price per Share	\$0.20	\$0.20
Shares currently on issue	32,650,000	32,650,000
Shares to be issued under to the Offer	40,000,000	60,000,000
Shares to be issued to the Lead Manager ³	2,300,000	3,500,000
Shares to be issued to the Vendor ⁴	4,000,000	4,000,000
Gross Proceeds of the Offer	\$8,000,000	\$12,000,000
Shares on issue at Admission (undiluted)⁵	78,950,000	100,150,000
Market Capitalisation at Admission (undiluted)⁶	\$15,790,000	\$20,030,000
Options currently on issue ⁷	33,975,000	33,975,000
Options to be issued to the Vendor ^{4,8}	1,600,000	1,600,000
Performance Rights to be issued to the Proposed Managing Director, Company Secretary and Exploration Manager ⁹	2,750,000	6,800,000
Shares on issue at Admission (fully diluted)⁵	117,275,000	142,525,000
Market Capitalisation at Admission (fully diluted)^{6,10}	\$23,455,000	\$28,505,000

Notes:

1. Assuming the Minimum Subscription of \$8,000,000 is achieved under the Offer.
2. Assuming the Maximum Subscription of \$12,000,000 is achieved under the Offer.
3. Refer to Section 9.1.1 for details of the Shares to be issued to the Lead Manager (**Lead Manager Shares**) and a summary of the Lead Manager Mandate.
4. Refer to Section 9.2 for details of the Shares to be issued to Bacchus Resources Pty Ltd (**Vendor Shares**) and a summary of the Tenement Purchase Agreement.
5. Certain Shares on issue post-listing will be subject to ASX-imposed escrow. Refer to Section 5.12 for a disclaimer with respect to the likely escrow position.
6. Assuming a Share price of \$0.20, however the Company notes that the Shares may trade above or below this price.
7. Refer to Section 10.3 for the terms of the Options currently on issue (**Existing Options**).
8. Refer to Section 9.2 for details of the Vendor Options and summary of the Tenement Purchase Agreement. Refer to Section 10.3 for the terms of the Vendor Options.
9. Refer to Section 10.4 for the terms of the Performance Rights to be issued to Christopher Swallow the Proposed Managing Director, Tony Tomba the Company Secretary and Bianca Manzi the Exploration Manager, and Section 10.5 for the details about the issue of the Performance Rights.
10. Note the Company intends to undertake an offer of Loyalty Options within three months of Admission. See Section 5.10 for further details

HOW TO INVEST

Applications for Shares under the Offer can only be made by completing and lodging an Application Form. Instructions on how to apply for Shares are set out in Section 4.8 and on the Application Form.

3. INVESTMENT OVERVIEW

This Section is a summary only and is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

Item	Summary	Further information
A. Company		
Who is the issuer of this Prospectus?	DeSoto Resources Limited (ACN 658 510 242) (Company or DeSoto).	Section 5.1
Who is the Company?	<p>The Company is an Australian unlisted public company, incorporated on 1 April 2022.</p> <p>Since incorporation, the Company has primarily focused on raising seed capital to fund the Company's activities and exploring potential opportunities to apply for, or acquire, exploration licences prospective for gold and lithium in the Northern Territory.</p> <p>The Company's Board and management have significant experience and a successful track record of cost-effective ore discovery through greenfields exploration applying advanced exploration techniques and careful cash management.</p>	Section 5.1
What is the Company's interest in the Project?	<p>The Company, via its wholly owned subsidiary, Mangusta Minerals Pty Ltd (ACN 653 950 522) (Mangusta), owns a 100% interest in the Pine Creek Project located in the Northern Territory.</p> <p>The Pine Creek Project consists of the following six tenements:</p> <ul style="list-style-type: none"> (a) three granted exploration licences (EL32884, EL32885 and EL32886); and (b) three exploration licence applications (EL33188, EL33189 and EL33225), <p>(together, the Fenton Tenements).</p> <p>Prior to listing, the Company, via Mangusta, will also acquire three granted exploration licences (EL31356, EL32148 and EL31899) (the Fenix Tenements), from Bacchus Resources Pty Ltd (Vendor) under the Tenement Purchase Agreement. The Fenix Tenements are contiguous with the Fenton Tenements and once acquired, will also form part of the Pine Creek Project.</p> <p>The Company's six granted licences will cover 1,467km² and the three licence applications cover 420km².</p>	Section 5.1, 5.2, and 5.3 and Annexure A and Annexure B

Item	Summary	Further information
	<p>The Company expects the three licences under application to be granted after its admission to the Official List of the ASX.</p> <p>The Fenton and Fenix Tenements are hereinafter referred to together as the Pine Creek Project or the Project.</p> <p>Further details regarding the Project is set out in the Independent Technical Assessment Report in Annexure A and the Solicitor's Report on Tenements in Annexure B.</p>	
B. Business Model		
What is the Company's business model?	<p>The Company is a mineral exploration company.</p> <p>Following completion of the Offer, the Company's proposed business model will be to further explore and develop the Project as per the Company's intended exploration programs.</p> <p>The Company proposes to fund its exploration activities over the first two years following listing as outlined in the table at Section 5.8.</p> <p>A detailed explanation of the Company's business model is provided at Section 5.5 and a summary of the Company's proposed exploration programs is set out at Section 5.6.</p>	Sections 5.4, 5.5, 5.6 and 5.8
What are the key business objectives of the Company?	<p>The Company's main objective on completion of the Offer and ASX listing is to create shareholder value via the discovery of an economic mineral deposit. This objective will be pursued via the following activities:</p> <ul style="list-style-type: none"> (a) systematic exploration of the Project; (b) developing the Company's geophysical and geological databases for further project generation; (c) focusing on mineral exploration and other resource opportunities that have the potential to deliver growth for Shareholders; and (d) pursue acquisitions that have a strategic fit for the Company. 	Sections 5.4 and 5.5

Item	Summary	Further information
What are the key dependencies of the Company's business model?	<p>The key dependencies of the Company's business model include:</p> <ul style="list-style-type: none"> (a) successful grant of the remaining exploration licences currently under application in relation to the Project; (b) maintaining title to the Project; (c) the Company's ability to obtain and retain all necessary approvals (including any regulatory or third-party approvals) required to undertake its proposed exploration programs; (d) exploration success on the Project, resulting in increased confidence in the commercial viability of the Project; (e) retaining and recruiting key personnel skilled in the exploration, mining and resources sector; (f) sufficient worldwide demand for Gold and Lithium; (g) the market price of Gold and Lithium remaining higher than the Company's costs of any future production (assuming successful exploration and development of the Project by the Company); and (h) continued availability of venture capital to provide funding for the Company. 	Section 5.7
What is the Company's growth strategy?	<p>The Company plans to grow by discovering and developing high value mineral deposits through the application of advanced techniques for identification of highly prospective regions and cost-effective evaluation of project areas, narrowing down rapidly and cost effectively to drill test well defined targets.</p> <p>The Company's immediate ambition is to make a major Gold or Lithium discovery in the Pine Creek region. Beyond that, given the Board and management's strong history of greenfields exploration and discovery of large mineral deposits, the Company plans to use its skills to expand into other regions to make new, high value discoveries for the benefit its Shareholders.</p>	Section 5.4

Item	Summary	Further information
C. Key Advantages		
What are the key advantages of an investment in the Company?	<p>The Directors are of the view that an investment in the Company provides the following non-exhaustive list of advantages:</p> <ul style="list-style-type: none"> (a) subject to raising the Minimum Subscription, the Company will have sufficient funds to implement its exploration strategy; (b) a portfolio of quality assets located in the Northern Territory, considered by the Board to be highly prospective for Gold and Lithium; (c) a highly credible and experienced Board and management who have the key skills and experience required to use highly advanced area selection and target assessment techniques to progress exploration and make high value, cost-effective mineral discoveries; and (d) an evolving geophysical, geochemical and geological database, along with a prospectivity model, each of which will continue to be developed. 	Sections 5 and 8.1
D. Key Risks		
General	The business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the Shares of the Company. The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which the Board can effectively manage them is limited.	Section 7
Limited History	<p>Having been incorporated on 1 April 2022, the Company does not have any operating history, although it should be noted that the Directors have between them significant operational experience.</p> <p>Previous exploration has been conducted on the Project, however the Company has only undertaken limited reconnaissance to date and will not commence these</p>	Section 7.2

Item	Summary	Further information
	<p>activities until the Company has been admitted to the Official List.</p> <p>The prospects of the Company must be considered in light of the risks, expenses and difficulties frequently encountered by companies in their early stage of development, particularly in the mineral exploration sector, which has a high level of inherent uncertainty.</p> <p>No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenements. Until the Company is able to realise value from its Project, it is likely to incur ongoing operating losses.</p>	
Exploration and operating	<p>Three of the Fenton Tenements are still under application and the other tenements comprising the Project are at various stages of exploration. Investors should understand that mineral exploration and development are high-risk undertakings.</p> <p>There can be no assurance that future exploration on the tenements comprising the Project, or any other tenements that may be acquired in the future, will result in the discovery of an economic mineral resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.</p> <p>The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns or adverse weather conditions, unanticipated operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and staff, native title process, changing government regulations and many other factors beyond the control of the Company.</p> <p>The success of the Company will also depend upon the Company being able to maintain title to the tenements comprising the Project and obtaining all required approvals for their contemplated activities.</p>	Section 7.2

Item	Summary	Further information
	<p>In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the Project, a reduction in the cash reserves of the Company and possible relinquishment of one or more of the tenements comprising the Project.</p>	
<p>Applications and renewals, access and third-party interests</p>	<p>Applications</p> <p>The Company is unaware of any circumstances that would prevent the various tenement applications comprising the Fenton Tenements from being granted. However, the consequence of being denied the applications for reasons beyond the control of the Company could be significant.</p> <p>Refer to the Solicitor's Report on Tenements in Annexure B for further information on the Company's tenement applications at the Project.</p> <p>Renewal</p> <p>Mining and exploration tenements are subject to periodic renewal. The renewal of the term of granted tenements is subject to compliance with the applicable mining legislation and regulations and the discretion of the relevant mining authority. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.</p> <p>The Company considers the likelihood of tenure forfeiture to be low given the laws and regulations governing exploration in the Northern Territory and the ongoing expenditure budgeted for by the Company. However, the consequence of forfeiture or involuntary surrender of a granted tenement for reasons beyond the control of the Company could be significant.</p> <p>Access</p> <p>The Company has confirmed that its proposed exploration activities will not take place on tenement areas that overlap Crown Lease land.</p> <p>A number of the Company's tenements overlap pastoral leases. The Company is</p>	<p>Section 7.2</p>

Item	Summary	Further information
	<p>aware that it is required to obtain the consent of the occupiers or lease holders to undertake its proposed exploration activities on the tenements.</p> <p>The Company, through its wholly owned subsidiary, Mangusta, will apply for authority certificates from the Aboriginal Areas Protection Authority (AAPA) to obtain certainty that its activities within the tenements will not result in any offences under the relevant Aboriginal heritage legislation.</p> <p>Please refer to the Solicitor's Report on Tenements in Annexure B for further details.</p>	
COVID-19 risk	<p>The Coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.</p>	Section 7.4
Ukraine conflict	<p>The current conflict between Ukraine and Russia (Ukraine Conflict) is impacting global economic markets. The nature and extent of the effect of the Ukraine Conflict on the performance of the Company remains unknown. The Company's share price may be adversely affected in the short to medium term by the economic uncertainty caused by the Ukraine Conflict.</p> <p>The Directors are continuing to closely monitor the potential macroeconomic impacts of the unfolding events, including the changing pricing of commodity and energy markets and the potential of cyber activity impacting governments and businesses. Further, any governmental or industry measures taken in response to the Ukraine Conflict, including limitations on travel and changes to import/export restrictions and arrangements involving Russia, may adversely impact the Company's operations and are likely to be beyond the control of the Company. The Company is monitoring the situation closely and considers the impact of the Ukraine</p>	Section 7.4

Item	Summary	Further information
	Conflict on the Company's business and financial performance to, at this stage, be limited. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.	
Future capital requirements	The Company's capital requirements depend on numerous factors. The Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.	Section 7.2
Other risks	For additional specific risks please refer to Section 7.2. For other risks with respect to the industry in which the Company operates and general investment risks, many of which are largely beyond the control of the Company and its Directors, please refer to Sections 7.3 and 7.4.	Sections 7.2, 7.3 and 7.4

E. Board and Key Management

Who are the Directors, and key management personnel?	<p>The Board consists of:</p> <ul style="list-style-type: none"> (a) Paul Roberts – Non-Executive Chairperson; and (b) Dr Barry Murphy – Non-Executive Director. <p>Prior to the Company being admitted to the Official List of the ASX, the Company proposes that the Mr Christopher Swallow will be appointed as Managing Director of the Company (Proposed Managing Director).</p> <p>Information about the experience, background and independence of each Director is set out in Section 8.1.</p>	Section 8.1
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Item	Summary			Further information
F. Significant Interests of Key People and Related Party Transactions				
What interests do the Directors have in the securities of the Company?	Director	Shares	Options	Section 8.5
	Paul Roberts	5,000,000	7,500,000	
	Dr Barry Murphy	3,000,000	4,500,000	
	Christopher Swallow	2,700,000	4,050,000	
What significant benefits are payable to the Directors in connection with the Company or the Offer?	The Directors are entitled to the remuneration as disclosed in Section 8.5.			Section 8.5.
Who is the lead manager to the Offer?	The Company has appointed PAC Partners Securities Pty Ltd supported by DealAccess Pty Ltd (Corporate Authorised Representatives of PAC Asset Management Pty Ltd (AFSL 335 374)) (Lead Manager) as lead manager to the Offer. As at the date of this Prospectus, the Lead Manager does not hold an interest in the Company. For services provided in connection with Offer, the Lead Manager will receive: (a) a management fee of 2% of the total proceeds raised under the Offer; (b) a selling fee of 4% of the funds raised by the Lead Manager under the Offer; (c) 2,300,000 Shares, on the basis that the Minimum Subscription is raised, or 3,500,000 Shares on the basis that the Maximum Subscription is raised.			Section 4.6
Employee Securities incentive Plan	The Company has adopted an Employee Securities Incentive Plan (Plan). The principal terms of the Plan are summarised in Section 10.6 of this Prospectus. The Company does not currently intend to issue any incentive securities (other than as set out in this Prospectus), but the Plan provides the Board with the flexibility to do so in the future to enable the Company to attract and retain suitably qualified personnel.			Section 10.6
Are there any related party transactions?	The Company has entered into an executive services agreement with the Proposed Managing Director, Mr Christopher Swallow, together with letters of			Sections 8.6 and 9.3

Item	Summary	Further information
	<p>appointment with Non-Executive Directors, Paul Roberts and Dr Barry Murphy. The Company has also entered into Deeds of Indemnity, Insurance and Access with each of its Directors and Company Secretary.</p> <p>The Company has also entered into a Strategic Project Generation Agreement with Tier 1 Targeting Pty Ltd (ACN 660 734 529) (Tier 1) for the provision of exploration project targeting services. Directors of the Company, Paul Roberts and Dr Barry Murphy are directors of Tier 1.</p> <p>For further information with respect to Mr Roberts and Dr Murphy's interests and involvement in the Strategic Project Generation Agreement, please refer to Section 8.6 of this Prospectus.</p>	
G. Financial Information and Dividend Policy		
How has the Company been performing?	<p>As the Company was only recently incorporated on 1 April 2022, it has limited financial performance and has no operating history.</p> <p>Section 6 of this Prospectus sets out:</p> <ul style="list-style-type: none"> (a) Consolidated statement of financial position as at 30 June 2022; (b) Consolidated statement of profit or loss and other comprehensive income for the period ended 30 June 2022; (c) Consolidated statement of cash flow for the period ended 30 June 2022; and (d) Pro-forma statement of financial position as at 30 June 2022. <p>Investors are urged to read the Independent Limited Assurance Report in Annexure C in full.</p>	Section 6 and Annexure C
What is the financial outlook for the Company?	<p>Given the current status of the Company's Project and the speculative nature of its business, the Directors do not consider it appropriate to forecast future earnings.</p> <p>Any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection on a reasonable basis.</p>	Section 6 and Annexure C

Item	Summary	Further information
What is the Company's dividend policy?	<p>Payment of dividends by the Company is at the discretion of the Board. Given the stage of development of the Company, the Board anticipates that significant expenditure will be incurred in the evaluation and development of the Company's Project. These activities, together with the possible acquisition of interests in other projects, are expected to dominate at least the first two-year period following the Company's Admission. Accordingly, the Directors have no current intention to declare and pay a dividend and no dividends are expected to be paid during the foreseeable future following the Company's Admission.</p> <p>In determining whether to declare future dividends, the Directors will consider the level of earnings of the Company, the operating results and overall financial condition of the Company, future capital requirements, capital management initiatives, general business outlook and other factors the Directors may consider relevant at the time of their decision.</p> <p>The Directors cannot and do not provide any assurances in relation to the future payment of dividends or the level of franking credits attaching to dividends.</p>	Section 5.13
H. Capital Structure		
Who are the existing Shareholders of the Company?	The existing Shareholders of the Company include seed capitalists and all Board members (and/or their associates).	Section 5.9
What will the Company's capital structure be on completion of the Offer and listing on ASX?	The Company's capital structure on a post-Offer basis is set out in Section 5.9.	Section 5.9
J. Overview of the Offer		
What is the Offer?	<p>The Offer is an initial public offering of 40,000,000 Shares at an issue price of \$0.20 per Share to raise \$8,000,000. The Company has the capacity to accept oversubscriptions of up to a further 20,000,000 Shares to raise a further \$4,000,000 (before costs).</p> <p>The Prospectus also includes the Secondary Offers set out in Section 4.12.</p>	Section 4.1 and 4.12

Item	Summary	Further information
Is there a minimum subscription under the Offer?	The minimum subscription to the Offer is \$8,000,000.	Section 4.3
Why is the Offer being conducted?	The purposes of the Offer are to facilitate an application by the Company for admission to the Official List and, to position the Company to seek to achieve the objectives stated at Section B of this Investment Overview Section and Section 4.2 of this Prospectus	Section 4.2
What is the proposed use of funds raised under the Offer?	<p>The Company intends to apply funds raised under the Offer, together with existing cash reserves post-Admission, as set out in Section 5.8 to advance the Company's main objectives upon Admission.</p> <p>The Board is satisfied that following completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives as detailed in this Prospectus.</p>	Section 5.8
What is the Offer Price?	The price payable under the Offer is \$0.20 per Share.	Section 4.1
What rights and liabilities attach to the Shares being offered?	A summary of the material rights and liabilities attaching to the Shares being offered are set out in Section 10.2.	Section 10.2
Is the Offer underwritten?	No, the Offer is not underwritten.	Section 4.5
Are there any conditions to the Offer?	No, other than raising the Minimum Subscription and ASX approval for quotation of the Shares, the Offer is unconditional.	Section 4.7
Who is eligible to participate in the Offer?	This Prospectus does not, and is not intended to, constitute an offer or invitation in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or invitation or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.	Section 4.13

Item	Summary	Further information
How can I apply for Shares?	<p>The process for applying for Shares in the Company is set out in Section 4.8.</p> <p>Applications for Shares under the Offer must be made by completing the Application Form attached to, or accompanying, this Prospectus in accordance with the instructions set out in Section 4.8 and the Application Form.</p>	Section 4.8
What is the allocation policy?	<p>The allocation of Shares under the Offer will be determined by the Company in consultation with the Lead Manager, having regard to the allocation policy set out in Section 4.9.</p> <p>No assurance can be given that any applicant will be allocated all or any Shares applied for.</p>	Section 4.9
Will any Shares be subject to escrow?	<p>None of the Shares issued under the Offer will be subject to escrow.</p> <p>However, subject to the Company complying with Chapters 1 and 2 of the ASX Listing Rules and completing the Offer, and Secondary Offers, certain securities on issue may be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation.</p> <p>During the period in which restricted Shares are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.</p> <p>The Company will announce to ASX full details (quantity and duration) of the securities required to be held in escrow prior to the Shares commencing trading on ASX.</p> <p>The Company confirms its 'free float' (the percentage of the Shares that are not restricted and are held by shareholders who are not related parties (or their associates) of the Company at the time of Admission) will be not less than 20% in compliance with ASX Listing Rule 1.1 Condition 7.</p>	Section 5.12
Will the Shares be quoted on ASX?	<p>Application for quotation of all Shares to be issued under the Offer will be made to ASX no later than 7 days after the date of this Prospectus.</p>	Section 4.10
What are the key dates of the Offer?	<p>The key dates of the Offer are set out in the indicative timetable in Section 2.</p>	Section 2

Item	Summary	Further information
What is the minimum application size under the Offer?	Applications for Shares under the Offer must be for a minimum of \$2,000 worth of Shares (10,000 Shares) and thereafter, in multiples of 2,500 Shares and payment for the Shares must be made in full at the Offer Price of \$0.20 per Share.	Section 4.8
K. Additional information		
Is there any brokerage, commission or duty payable by applicants?	No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Offer.	Section 4.14
Can the Offer be withdrawn?	Yes. The Company reserves the right not to proceed with the Offer at any time before the issue of Shares to successful applicants. If the Offer does not proceed, application monies will be refunded (without interest).	Section 4.16
What are the tax implications of investing in Shares?	The acquisition and disposal of Shares will have consequences, which will differ depending on the individual financial affairs of each investor. Holders of Shares may be subject to Australian tax on dividends and possibly capital gains tax on a future disposal of Shares subscribed for under this Prospectus. It is not possible to provide a comprehensive summary of the possible taxation positions of all potential applicants. As such, all potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.	Section 4.15
What are the corporate governance principles and policies of the Company?	To the extent applicable, in light of the Company's size and nature, the Company has adopted <i>The Corporate Governance Principles and Recommendations (4th Edition)</i> as published by ASX Corporate Governance Council (Recommendations). Prior to listing on the ASX, the Company will announce its main corporate governance policies and practices and the Company's compliance and departures from the Recommendations.	Section 8.7

Item	Summary	Further information
Where can I find more information about this Prospectus or the Offer?	<p>(a) By speaking to your accountant, financial adviser, stockbroker, lawyer or other professional adviser;</p> <p>(b) By contacting the Company Secretary, on +61 8 6149 7516; or</p> <p>(c) By contacting the Share Registry on 1300 288 664.</p>	
Can general meetings of shareholders be held using technology?	The Company's constitution permits the use of technology at general meetings of shareholders (including wholly virtual meetings) to the extent permitted under the Corporations Act, Listing Rules and applicable law.	Section 10.2

This Section is a summary only and is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

4. DETAILS OF THE OFFER

4.1 The Offer

The Offer is an initial public offering of 40,000,000 Shares at an issue price of \$0.20 per Share to raise \$8,000,000. Oversubscriptions of up to a further 20,000,000 Shares at an issue price of \$0.20 per Share to raise up to a further \$4,000,000 may be accepted at the discretion of the Directors.

The Shares issued under the Offer will be fully paid and will rank equally with the existing Shares currently on issue. Please refer to Section 10.2 for a summary of the material rights and liabilities attaching to the Shares.

The Offer is made on the terms and is subject to the conditions set out in this Prospectus.

4.2 Purpose of the Offer

The primary purposes of the Offer are to:

- (a) assist the Company to meet the admission requirements of ASX under Chapters 1 and 2 of the ASX Listing Rules to facilitate the Company's application for Admission;
- (b) provide the Company with funding for:
 - (i) the proposed exploration programs at the Project (as further detailed in Section 5.6);
 - (ii) evaluating acquisition opportunities that may be presented to the Board from time to time; and
 - (iii) the Company's working capital requirements while it is implementing its business strategies;
- (c) provide the Company with access to capital markets to improve capital management flexibility;
- (d) provide the Company with the benefits of an increased profile that arises from being a listed entity;
- (e) broaden the Company's shareholder base and provide a liquid market for the Shares;
- (f) pay transaction costs associated with the Offer;
- (g) to provide the management with reasonable and appropriate remuneration which aligns the interests of the management with those of Shareholders; and
- (h) to satisfy the Company's obligations under the Lead Manager Mandate.

The Company intends to apply the funds raised under the Offer together with its existing cash reserves in the manner detailed in Section 5.8.

4.3 Minimum subscription

The minimum subscription to the Offer is \$8,000,000 (40,000,000 Shares) (**Minimum Subscription**).

If the Minimum Subscription has not been raised within four (4) months after the date of this Prospectus or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

4.4 Oversubscriptions

As noted above, oversubscriptions of up to a further 20,000,000 Shares at an issue price of \$0.20 per Share to raise up to a further \$4,000,000 may be accepted, for a maximum subscription under the Prospectus of \$12,000,000 (**Maximum Subscription**).

4.5 Underwriter

The Offer is not underwritten.

4.6 Lead Manager

The Company has appointed PAC Partners Securities Pty Ltd (ACN 623 653 912) (**PAC Partners**), supported by DealAccess Pty Ltd (ACN 648 994 067) (**DealAccess**) (Corporate Authorised Representatives of PAC Asset Management Pty Ltd (AFSL 335 374)) as lead manager to the Offer pursuant to a mandate dated 3 October 2022 (**Lead Manager Mandate**).

Under the Lead Manager Mandate, the Lead Manager will receive the following fees as consideration for lead managing the Offer:

- (a) (**Management Fee**): a fee of 2% of the total proceeds raised under the Offer;
- (b) (**Selling Fee**): a fee of 4% of the funds raised by the Lead Manager under the Offer; and
- (c) (**Lead Manager Shares**):
 - (i) 2,300,000 Shares, on the basis that the Minimum Subscription is raised; or
 - (ii) 3,500,000 Shares, on the basis that the Maximum Subscription is raised.

ASX will assume an issue price of \$0.20 per Share for the Lead Manager Shares. The value of all Lead Manager Shares to be issued to in connection with the Offer is \$460,000 (Minimum Subscription) and \$700,000 (Maximum Subscription).

In the event the Minimum Subscription is raised, the Lead Manager would hold 2.91% on an undiluted basis (1.96% on a fully diluted basis), of the total Shares on issue (being the maximum potential voting power). In the event the Maximum Subscription is raised, the Lead Manager would hold 3.49% on an undiluted basis (2.46% on a fully diluted basis). It should be noted that a portion of the Lead Manager Shares may be granted to other parties that assist with raising funds under the Offer and the potential maximum voting power of the Lead Manager will reduce to the extent this occurs.

4.7 Conditions of the Offer

The Offer is conditional upon the following conditions being satisfied:

- (a) the Minimum Subscription to the Offer being reached; and
- (b) ASX granting conditional approval for the Company to be admitted to the Official List,

(together the **Conditions**).

If these Conditions are not satisfied then the Offer will not proceed and the Company will repay all application monies received under the Offer within the time prescribed under the Corporations Act, without interest.

4.8 Applications

Applications for Shares under the Offer must be made by using the relevant Application Form as an online Application Form at apply.automic.com.au/DesotoResources and pay the application monies electronically.

By completing an Application Form, each applicant under the Offer will be taken to have declared that all details and statements made by them are complete and accurate and that they have personally received the Application Form together with a complete and unaltered copy of the Prospectus.

Applications for Shares under the Offer must be for a minimum of \$2,000 worth of Shares (10,000 Shares) and thereafter in multiples of 2,500 Shares and payment for the Shares must be made in full at the Offer Price of \$0.20 per Share.

Completed Application Forms and accompanying cheques, made payable to "**DESOTO RESOURCES LIMITED - IPO**" and crossed "**Not Negotiable**", must be mailed or delivered to the address set out on the Application Form by no later than 5:00pm (WST) on the Closing Date, which is scheduled to occur on 10 November 2022.

If paying by BPAY® or EFT (Electronic Funds Transfer), please follow the instructions on the Application Form. A unique reference number will be quoted upon completion of the online application. Your BPAY or EFT reference number will process your payment to your application electronically and you will be deemed to have applied for such Shares for which you have paid. Applicants using BPAY or EFT should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the Closing Date. You do not need to return any documents if you have made payment by BPAY or EFT.

If an Application Form is not completed correctly or if the accompanying payment is the wrong amount, the Company may, in its discretion, still treat the Application Form to be valid. The Company's decision to treat an application as valid, or how to construe, amend or complete it, will be final.

The Company reserves the right to close the Offer early.

4.9 Allocation policy under the Offer

The allocation of Shares under the Offer will be determined by the Company in consultation with the Lead Manager.

The Company, in consultation with the Lead Manager, retains an absolute discretion regarding the basis of allocation of Shares under the Offer and reserves the right, in its absolute discretion, to allot to any applicant a lesser number of Shares than the number for which the applicant applies for or to reject any application. If the number of Shares allotted is fewer than the number applied for, surplus application money will be refunded without interest as soon as practicable.

No applicant under the Offer has any assurance of being allocated all or any Shares applied for. The allocation of Shares by Directors (in consultation with the Lead Manager) will be influenced by the following factors:

- (a) the number of Shares applied for by particular applicants;
- (b) the overall level of demand under the Offer;
- (c) the Company's desire for an informed and active trading market following its listing on ASX;
- (d) the Company's desire to establish a wide spread of investors, including institutional investors;
- (e) recognising the ongoing support of existing Shareholders;
- (f) the likelihood that particular applicants will be long-term Shareholders;
- (g) the desire for an informed and active market for trading Shares following completion of the Offer;
- (h) ensuring an appropriate Shareholder base for the Company going forward; and
- (i) any other factors that the Company and the Lead Manager consider appropriate.

The Company will not be liable to any person not allocated Shares or not allocated the full amount applied for.

4.10 ASX listing

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. However, applicants should be aware that ASX will not grant Official Quotation of any Shares until the Company has complied with Chapters 1 and 2 of the ASX Listing Rules and has received the approval of ASX to be admitted to the Official List. Accordingly, the Shares may not be able to be traded for some time after the close of the Offer.

If the Shares are not admitted to Official Quotation by ASX before the expiration of three (3) months after the date of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares offered for subscription under this Prospectus.

4.11 Issue

Subject to the Conditions set out in Section 4.7 being satisfied, the issue of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the applicants in a separate bank account as required by the Corporations Act. However, the Company will be entitled to retain all interest that accrues on the bank account and each applicant waives the right to claim interest.

The Directors (in consultation with the Lead Manager) will determine the recipients of the Shares, under the Offer, in their sole discretion in accordance with the allocation policy detailed in Section 4.9. The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date.

Holding statements for Shares allocated to the Company's sponsored subregister and confirmation of allocation for Clearing House Electronic Subregister System (CHES) holders will be mailed to applicants being allocated Shares under the Offer as soon as practicable after their issue.

4.12 Secondary Offers

The Prospectus also includes the following secondary offers:

- (a) the issue of 2,300,000 Lead Manager Shares (Minimum Subscription) or 3,500,000 Lead Manager Shares (Maximum Subscription) to the Lead Manager (or its nominees) (**Lead Manager Offer**);
- (b) the issue of 4,000,000 Vendor Shares and 1,600,000 Vendor Options to the Vendor (or its nominees) under the Tenement Purchase Agreement (**Vendor Offer**); and
- (c) the issue of 2,750,000 Performance Rights (Minimum Subscription) or 6,800,000 Performance Rights (Maximum Subscription) to the Proposed Managing Director, Company Secretary and Exploration Manager (or their nominees) (**Management Offer**),

(each being a **Secondary Offer**).

The terms of the Shares offered under the Lead Manager Offer and Vendor Offer are summarised in Section 10.2. The terms of the Vendor Options offered under the Vendor Offer are summarised in Section 10.3. Only the Lead Manager (or their nominees) may accept the Lead Manager Offer, only the Vendor (or its nominees) may accept the Vendor Offer, and only the Proposed Managing Director, Company Secretary and Exploration Manager (or their nominees) may accept the Management Offer. A personalised application form in relation to the Secondary Offers will be issued to these parties together with a copy of this Prospectus (**Secondary Offer Application Form**). The Company will only provide

Secondary Offer Application Forms to the abovenamed parties. No monies are payable for the Shares and Options offered under the Secondary Offers.

The purpose of the Secondary Offers is to remove any trading restrictions attaching to the Shares issued under the Secondary Offers and Shares issued on exercise of the Options and Performance Rights to be issued under the Secondary Offers, given that the Shares, Options and Performance Rights offered under the Secondary Offers are being issued with disclosure under this Prospectus.

No payment is required to subscribe for the Shares, Options and Performance Rights under the Secondary Offers. Accordingly, no funds will be raised pursuant to the Secondary Offers.

The Company reserves all discretions in relation to applications under the Secondary Offers.

4.13 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions, including those outlined below. In particular, this Prospectus may not be distributed in the United States or elsewhere outside Australia. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that you have complied with these restrictions.

4.14 Commissions payable

The Company reserves the right to pay commissions of up to 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensees in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

The Lead Manager will be responsible for paying all commissions that they and the Company agree with any other licensed securities dealers or Australian financial services licensees out of the fees paid by the Company to the Lead Manager under the Lead Manager Mandate.

4.15 Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor.

It is not possible to provide a comprehensive summary of the possible taxation positions of all prospective applicants. As such, all prospective investors in the Company are urged to obtain independent taxation and financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus or the reliance of any applicant on any part of the summary contained in this Section.

No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Offer.

4.16 Withdrawal of the Offer

The Offer may be withdrawn at any time. In this event, the Company will return all application monies (without interest) in accordance with applicable laws.

The Company and the Lead Manager also reserve the right to close the Offer (or any part of it) early, extend the Offer (or any part of it), accept late applications either generally or in particular cases, reject any application or bid, or allocate to any applicant, fewer Shares than applied for under the Offer.

5. COMPANY AND PROJECT OVERVIEW

5.1 Background

The Company is an Australian unlisted public company, incorporated on 1 April 2022. Since incorporation, the Company has primarily focused on raising seed capital to fund the Company's activities and exploring potential opportunities to apply for, or acquire, exploration licences prospective for gold and lithium in the Northern Territory.

The Company, via its wholly owned subsidiary, Mangusta Minerals Pty Ltd (ACN 653 950 522) (**Mangusta**), owns a 100% interest in the Pine Creek Project located in the Northern Territory.

The Pine Creek Project consists of the following six tenements:

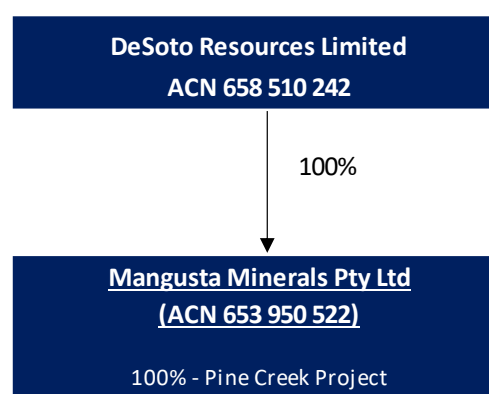
- (a) three granted exploration licences (EL32884, EL32885 and EL32886); and
 - (b) three exploration licence applications (EL33188, EL33189 and EL33225),
- (together, the **Fenton Tenements**).

Prior to listing, the Company, via Mangusta, will also acquire three granted exploration licences (EL31356, EL32148 and EL31899) (the **Fenix Tenements**), from Bacchus Resources Pty Ltd (**Vendor**) under a Tenement Purchase Agreement. The Fenix Tenements are contiguous with the Fenton Tenements and once acquired, will also form part of the Pine Creek Project.

The Company's six granted licences will cover 1,467km² and the three licence applications cover 420km². The Company expects the three licences under application to be granted after its admission to the Official List of the ASX.

5.2 Group Structure

Upon admission to the Official List of the ASX, the Company will have the corporate structure as outlined below:



Tenement Schedule

Project	Tenement Details	Expiry Date	Minimum Annual Expenditure
Pine Creek Project	EL32884	16 June 2028	\$50,000
	EL32885	16 June 2028	\$100,000
	EL32886	16 June 2028	\$100,000
	EL31356	31 May 2023	\$42,000
	EL32148	18 March 2026	\$75,000
	EL31899	6 June 2024	\$12,500
	EL33188	TBA	TBA
	EL33189	TBA	TBA
	EL33225	TBA	TBA

Note:

The three exploration licence applications (EL33188, EL33189 and EL33225), have not yet been granted. The expenditure obligation for these tenements will commence once the tenements has been granted.

5.3 Overview of the Pine Creek Project

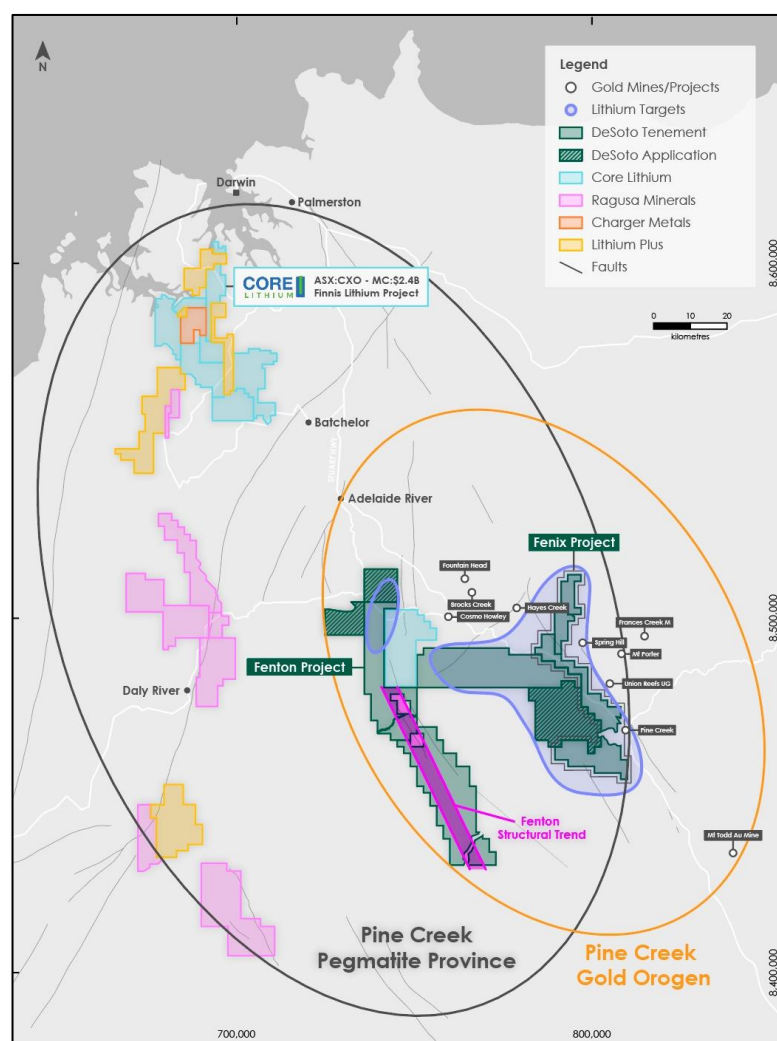


Figure 1: Locality map showing DeSoto Exploration Licences, lithium and gold-prospective regions

The Pine Creek Project is both a gold project with known gold mineralisation and a conceptual lithium pegmatite project. It is located approximately 150 km south of Darwin, and 8 km north of Pine Creek in the Northern Territory.

Located within the western section of the Central Domain of the Pine Creek Orogen, the Pine Creek Project lies on the northern edge of the North Australian Craton. The Project comprises Proterozoic sedimentary units of the Cosmo Supergroup which include the South Alligator, and Finniss River Groups, both known to host gold mineralisation. These units are overlain by younger Cambrian Daly Basin sediments in the west, and central area, but are exposed to the north and east. The granites of the Cullen Batholith intrude and underlie much of the Project area and are known to be the source of pegmatite intrusions in the Tipperary Pegmatite Field, which also partly covers the Project.

The Pine Creek Project is considered prospective for pegmatite hosted lithium and orogenic gold mineralisation. Historical drilling has identified significant gold mineralisation hosted in concealed Proterozoic basement stratigraphy along prospective structures, along with gold anomalism in surface sampling. Historically there has been no lithium exploration conducted in the Project area which is part of the Pine Creek Pegmatite Province. The lack of previous exploration focused on lithium mineralisation in the Pine Creek region provides a significant opportunity for DeSoto Resources. The Company takes encouragement from the fact that Core Lithium (ASX:CXO) recently acquired ground adjacent to the Pine Creek Project and is now exploring for lithium across the Project area (Figure 1).

5.4 Growth Strategy

5.4.1 New Project Generation

The Company's team has a long history of exploration success both in Australia and overseas, most recently with the Bankan gold discovery in Guinea, West Africa. Specifically, directors Paul Roberts and Dr Barry Murphy developed a targeting system during the Predictive Mineral Discovery Cooperative Research Centre which they have applied to mineral exploration in West Africa for over a decade.

The Company has entered into an agreement with Tier 1 Targeting Pty Ltd (ACN 660 734 529) (**Tier 1 (Strategic Project Generation Agreement)**). Tier 1 is an exploration project targeting business which is controlled by Paul Roberts and Dr Barry Murphy. Under the Strategic Project Generation Agreement, Mr Roberts and Dr Murphy will provide exploration project targeting services to the Company. A summary of the Strategic Project Generation Agreement is set out in Section 9.3.2 of this Prospectus.

In addition to its proposed exploration programs on the Pine Creek Project, the Company will be supporting further project generation activities using targeting methods developed by Mr Roberts and Dr Murphy with a focus on identifying precious metal and battery metal targets in selected countries in Africa and South America. The initial focus will be on battery metals, specifically manganese. This work is expected to yield highly prospective packages of ground on which DeSoto plans to start work in calendar 2023. In all cases, the Company will be targeting very large greenfields discoveries in underexplored regions, much like the Bankan discovery in Guinea.

Manganese Project Generation

In consultation with Tier-1, the Company has decided to focus its initial new project generation work on high-grade manganese in the tropics.

Why we like Manganese: the overlooked battery material

Manganese is widely used in steel production, accounting for more than 90% of global consumption. Less than 2% of global consumption is converted into high-purity manganese for the battery sector. Many lithium-ion batteries, such as nickel-cobalt-manganese (NCM), use manganese sulphate as a raw material for the cathode precursor.

Manganese is not only an essential alloy in converting iron into steel, but it also plays a crucial role in the longevity, energy and performance of the batteries produced to power electric vehicles.

Battery-grade manganese sulphate, also known as high-purity manganese sulphate, is a raw material used in the production of the cathode precursor. This is used to produce lithium-ion batteries such as the nickel-cobalt-manganese (NCM) batteries.

Demand for manganese sulphate will follow an exponential increase, similar to most other battery raw materials. For example, we expect that the current nickel supply uncertainty will accelerate demand for high-manganese batteries.

Looking for High-Grade Manganese in the Tropics

The Company has received advice from Tier-1 on target regions for high-grade manganese deposits. The Company's immediate focus will be in tropical regions in North-East South America and West Africa, where lateritic weathering is known to produce very high-grade manganese deposits. Ore types targeted will be lateritised manganiferous dolomites and black shales, large high-grade examples of which are known in these regions.

Why we like Exploring for High-Grade Manganese

In consultation with Tier 1, the Company plans to target Direct Shipping Ore (**DSO**) manganese deposits, which can supply both the steel industry and high-grade product for battery manufacture.

Globally, there is very little industry focus on greenfields exploration for high-grade manganese deposits. The Company's strength in terrane-scale targeting and discovery in the tropics means that it is perfectly suited to make such discoveries efficiently.

Lateritic manganese deposits are shallow by their very nature, meaning that they are cheap to drill and define reserves.

Why we like DSO Manganese Deposits

DSO manganese deposits can supply both the steel and battery markets and therefore are likely to be highly economically robust at all points in the price cycle.

DSO manganese deposits can supply saleable product through a simple quarry and trucking operation, meaning that capital costs can be very low to begin with, allowing for a very cheap entry into profitable production.

The Company is focused on identifying targets within easy transport distance of the coast, either by road (<500km) or rail (<1500km).

5.5 Business model

The Company's business model is to thoroughly test the Project using highly skilled, experienced, and pragmatic exploration geologists, geoscientists and advisors; and, in doing so, determine as soon as practicable whether the Project has potential for hosting an economic deposit.

Exploration work will initially be focused on the granted exploration licence areas comprising the Fenton and Fenix Tenements. The Company will also continue to undertake the steps necessary to ensure the successful grant of its Tenements currently under application. When a suitable exploration target is identified, the focus will be on establishing a mineral resource reported in accordance with the JORC Code. At this point, a decision on how best to extract value for shareholders will be assessed.

If after completion of the exploration programs, the Tenements comprising the Project is assessed to be unlikely to host an economic deposit, they will be divested either via a sale, joint venture or relinquishment; and new projects will be staked or acquired. The Company will also continue to assess and review other opportunities for tenement applications or acquisitions and, where deemed appropriate or in the interests of Shareholders, the Company may expand its portfolio of tenements.

The Company will operate a low-overhead corporate structure, relying on external consultants to implement the activities. The Proposed Managing Director will be responsible for the execution of the Board strategy and management of the day-to-day activities.

5.6 Proposed Exploration Program and Development Plan

The Pine Creek Project is highly prospective for orogenic gold discoveries and is a conceptual greenfields lithium pegmatite target.

Gold exploration will focus on orogenic Pine Creek gold mineralisation on the under explored Fenton Structural Trend (Figure 2), sub-parallel to the Pine Creek Structural Trend which is known to host over 17Moz of gold deposits. Very widely spaced historical drilling has intersected up to 20m @ 1.74g/t Au, confirming the Fenton Trend has the potential to host significant gold mineralisation under the Cambrian Daly Basin sediments.

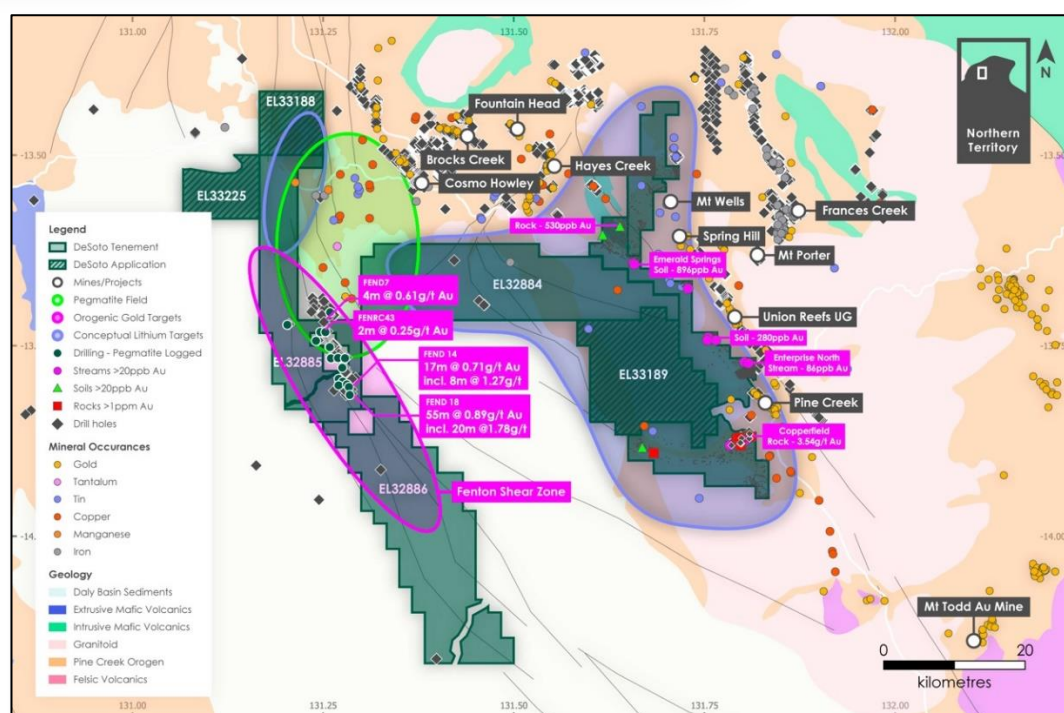


Figure 2 - Pine Creek Gold and Lithium Project exploration summary plan with known and conceptual targets.

The Pine Creek Project partially covers the prospective Tipperary Pegmatite district where tin-tantalum pegmatites were first discovered in 1882. These pegmatites are similar to those in the Bynoe Pegmatite field and are considered prospective for lithium. No historic lithium exploration has been conducted in the Project tenure or the Pine Creek region, however Core Lithium (ASX:CXO) recently acquired the Shoobridge Pegmatite Project adjacent to the Project Tenements and is now exploring for lithium across that project area.

The first phase of exploration will consist of re-logging and sampling of existing core holes for lithium pegmatites, reconnaissance mapping for gold and lithium including soil, stream and rock chip sampling, and ground geophysical surveys. The field programmes will assess the potential of the historically mapped and drilled pegmatites for lithium mineralisation, along with a review of the existing tin and tantalum mineral occurrences in the area. The three gold geochemical anomalies currently identified in areas comprising the Fenix Tenements will be followed-up with infill and extensional systematic geochemical sampling.

The intention for the first phase of exploration is to develop an integrated geological and structural model for the Project to generate drill targets. The second phase of exploration will consist of reconnaissance air core (AC) and RC drilling to test the grade, thickness and depth extensions of the targets. If results justify it, a systematic drilling programme will follow to define a Mineral Resource.

As set out in the Independent Technical Assessment Report in Annexure A, the Company's proposed exploration and development program in respect of the Project is set out below in Table 1 (assuming minimum subscription of A\$8 million) and Table 2 (assuming maximum subscription of A\$12 million). Expenditure is based on staged exploration on the granted Tenements. On the basis that the three exploration licence applications are granted during the two year programme, the same exploration program described below will be expanded to cover these application areas and include additional aeromagnetic survey coverage, as summarised in Table 3 (assuming a minimum subscription of A\$8 million) and Table 4 (assuming maximum subscription of A\$12 million):

Table 1. Exploration budget - A\$8.0M minimum raise

Activity	Year 1 (A\$)	Year 2 (A\$)	Total (A\$)
Aeromagnetics survey	333,000		333,000
Ground Geophysics (EM)	40,000	16,610	56,610
Mapping and Sampling	60,000	23,250	83,250
Diamond drilling (Phase 1 and 2)	832,500	832,500	1,665,000
RC drilling	650,000	682,000	1,332,000
Regional AC drilling	110,000	189,700	299,700
Logistics/Camp/Fuel/Mob-Debmob	75,000	44,880	119,880
Geochemistry and Metallurgical Testing		133,200	133,200
Field Activity Logistics	60,000	106,500	166,500
Total	2,160,500	2,028,640	4,189,140

Table 2. Exploration budget - A\$12.0M maximum raise

Activity	Year 1 (A\$)	Year 2 (A\$)	Total (A\$)
Aeromagnetics survey	500,000		500,000
Ground Geophysics (EM)	40,000	45,000	85,000
Mapping and Sampling	60,000	65,000	125,000
Diamond drilling (Phase 1 and 2)	1,000,000	1,500,000	2,500,000
RC drilling	1,000,000	1,000,000	2,000,000
Regional AC drilling	110,000	340,000	450,000
Logistics/Camp/Fuel/Mob-Debmob	75,000	105,000	180,000
Geochemistry and Metallurgical Testing		200,000	200,000
Field Activity Logistics	60,000	190,000	250,000
Total	2,845,000	3,445,000	6,290,000

Table 3. Exploration budget - If applications granted - A\$8.0M minimum raise

Activity	Year 1 (A\$)	Year 2 (A\$)	Total (A\$)
Aeromagnetics survey	452,880		452,880
Ground Geophysics (EM)	40,000	16,610	56,610
Mapping and Sampling	60,000	23,250	83,250
Diamond drilling (Phase 1 and 2)	832,500	832,500	1,665,000
RC drilling	650,000	682,000	1,332,000
Regional AC drilling	110,000	189,700	299,700
Logistics/Camp/Fuel/Mob-Debmob	75,000	44,880	119,880
Geochemistry and Metallurgical Testing		133,200	133,200
Field Activity Logistics	60,000	106,500	166,500
Total	2,280,380	2,028,640	4,309,020

Table 4. Exploration budget - If applications granted - A\$12.0M maximum raise

Activity	Year 1 (A\$)	Year 2 (A\$)	Total (A\$)
Aeromagnetics survey	680,000		680,000
Ground Geophysics (EM)	40,000	45,000	85,000
Mapping and Sampling	60,000	65,000	125,000
Diamond drilling (Phase 1 and 2)	1,000,000	1,500,000	2,500,000
RC drilling	1,000,000	1,000,000	2,000,000
Regional AC drilling	110,000	340,000	450,000
Logistics/Camp/Fuel/Mob-Debmob	75,000	105,000	180,000
Geochemistry and Metallurgical Testing		200,000	200,000
Field Activity Logistics	60,000	190,000	250,000
Total	3,025,000	3,445,000	6,470,000

In addition to the Company's existing exploration programs, the Company will continue to support project generation activities aimed at identifying and acquiring greenfield project areas with strong potential for battery and/or precious metals in selected countries in Africa and South America using the targeting capabilities of Directors, Mr Paul Roberts and Dr Barry Murphy.

5.7 Key dependencies of the Company's business model

The key dependencies influencing the viability of the Company's business model are:

- (a) successful grant of the exploration licences currently under application in relation to the Project;
- (b) maintaining title to the Project;
- (c) the Company's ability to obtain and retain all necessary approvals (including any regulatory or third-party approvals) required to undertake its proposed exploration programs;
- (d) exploration success on the Project, resulting in increased confidence in the commercial viability of the Project;
- (e) retaining and recruiting key personnel skilled in the mining and resources sector;
- (f) sufficient worldwide demand for gold and lithium;
- (g) the market price of gold and lithium remaining higher than the Company's costs of any future production (assuming successful exploration and development of the Project by the Company); and
- (h) minimising environmental impacts and complying with environmental and health and safety requirements.

5.8 Use of funds

The Company intends to apply funds raised from the Offer, together with existing cash reserves post-Admission, over the first two years following Admission as set out below.

The table below shows the proposed use of funds assuming only exploration licences EL32884, EL32885, EL32886 EL31356, EL32148 and EL31899 are granted prior to listing.

PROJECT	ACTIVITY	Minimum Subscription \$8,000,000		Maximum Subscription \$12,000,000	
		Total	%	Total	%
	Existing cash reserves ¹	\$881,151	10%	\$881,151	7%
	Funds raised from the Offer	\$8,000,000	90%	\$12,000,000	93%
	TOTAL	\$8,881,151	100%	\$12,881,151	100%
Pine Creek Project (Fenton & Fenix) ²	Aeromagnetics	\$333,000	4%	\$500,000	4%
	Ground Geophysics (EM)	\$56,610	1%	\$85,000	1%
	Mapping and Sampling	\$83,250	1%	\$125,000	1%
	Drilling_DDH_ (Phase 1)	\$832,500	9%	\$1,250,000	10%
	Drilling_DDH_ (Phase 2)	\$832,500	9%	\$1,250,000	10%
	Drilling_RC	\$1,332,000	15%	\$2,000,000	15%

	Drilling_AC	\$299,700	3%	\$450,000	3%
	Logistics/Camp/Fuel/ Mob-Debmob	\$119,880	1%	\$180,000	1%
	Geochemistry and Metallurgical Testing	\$133,200	1%	\$200,000	2%
	Field Activity Logistics	\$166,500	2%	\$250,000	2%
	New Project Generation Due Diligence	\$80,000	1%	\$80,000	1%
	Administration and Overheads ³	\$1,613,633	18%	\$1,613,633	13%
	Expenses under the Offer ⁴	\$771,104	9%	\$1,015,875	7%
	Working Capital ⁵	\$2,227,274	26%	\$3,881,643	30%
	TOTAL	\$8,881,151	100%	\$12,881,151	100%

The table below shows the proposed use of funds assuming all Tenements are granted prior to listing.

PROJECT	ACTIVITY	Minimum Subscription \$8,000,000		Maximum Subscription \$12,000,000	
		Total	%	Total	%
	Existing cash reserves ¹	\$881,151	10%	\$881,151	7%
	Funds raised from the Offer	\$8,000,000	90%	\$12,000,000	93%
	TOTAL	\$8,881,151	100%	\$12,881,151	100%
Pine Creek Project (Fenton & Fenix) ²	Aeromagnetics	\$452,880	5%	\$680,000	5%
	Ground Geophysics (EM)	\$56,610	1%	\$85,000	1%
	Mapping and Sampling	\$83,250	1%	\$125,000	1%
	Drilling_DDH_ (Phase 1)	\$832,500	9%	\$1,250,000	10%
	Drilling_DDH_ (Phase 2)	\$832,500	9%	\$1,250,000	10%
	Drilling_RC	\$1,332,000	15%	\$2,000,000	15%
	Drilling_AC	\$299,700	3%	\$450,000	3%
	Logistics/Camp/Fuel/ Mob-Debmob	\$119,880	1%	\$180,000	1%
	Geochemistry and Metallurgical Testing	\$133,200	1%	\$200,000	2%
	Field Activity Logistics	\$166,500	2%	\$250,000	2%
	New Project Generation Due Diligence	\$80,000	1%	\$80,000	1%

	Administration and Overheads ³	\$1,613,633	18%	\$1,613,633	13%
	Expenses of the Offer ⁴	\$771,104	9%	\$1,015,875	8%
	Working Capital ⁵	\$2,107,394	25%	\$3,701,643	28%
	TOTAL	\$8,881,151	100%	\$12,881,151	100%

Notes:

1. Refer to the Financial Information set out in Section 6 for further details. The Company intends to apply these funds towards the purposes set out in this table, including the payment of the expenses of the Offer of which various amounts will be payable prior to completion of the Offer.
2. Refer to Section 5.6 and the Independent Technical Assessment Report in Annexure A for further details with respect to the Company's proposed exploration programs at the Project.
3. Administration costs include without limitation, general corporate costs such as the provision of contract services to the Company, ASX listing fees, Board, executive and employee remuneration, office rent, insurances and ongoing audit and accounting costs.
4. Refer to Section 10.10 for further details.
5. To the extent that:
 - (a) the Company's exploration activities warrant further exploration activities; or
 - (b) the Company identifies additional acquisition or investment opportunities,
 the Company's working capital will also be utilised to fund such further exploration activities and/or acquisition or investment costs (including due diligence investigations and expert's fees in relation to such acquisitions or investments) as applicable. Any amounts not so expended will be applied toward corporate and administration costs for the period subsequent to the initial two-year period following Admission.

The above table is a statement of current intentions as of the date of this Prospectus. Prospective investors should note that, as with any budget, the allocation of the funds may change depending on various intervening events and new circumstances, including the outcome of exploration activities (including, exploration success or failure), regulatory developments and market and general economic conditions. Accordingly, the Board reserves the right to alter the way funds are applied on this basis.

It is anticipated that the funds raised under the Offer will enable two years of full operations. It should be noted that the Company may not be fully self-funding through its own operational cash flow at the end of this period. Accordingly, the Company may require additional capital beyond this point, which will likely involve the use of additional debt or equity funding. Future capital needs will also depend on the success or failure of the Company's Project. The Board will consider the use of additional debt or equity funding where it is appropriate to accelerate growth, fund additional exploration on the Project or to capitalise on acquisition or investment opportunities in the resources sector.

The Directors consider that following completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives. However, it should be noted that an investment in the Company is highly speculative and prospective investors are encouraged to read the risk factors outlined in Section 7.

5.9 Capital structure

Shares¹

	Minimum Subscription	Maximum Subscription
Shares currently on issue ²	32,650,000	32,650,000
Shares to be issued under to the Offer ³	40,000,000	60,000,000
Shares to be issued to the Lead Manager ⁴	2,300,000	3,500,000
Shares to be issued to the Vendor ⁵	4,000,000	4,000,000
Total Shares on completion of the Offer	78,950,000	100,150,000

Notes:

1. The material rights and liabilities attaching to the Shares are summarised in Section 10.2.
2. As at the date of this Prospectus, the Company's Share capital is comprised of Shares issued to the Company's founders and Shares issued pursuant to seed capital raising which the Company has undertaken since its incorporation.
3. Minimum Subscription: 40,000,000 Shares to be issued at an issue price of \$0.20 per Share to raise \$8,000,000 under the Offer. Maximum Subscription: 60,000,000 Shares to be issued at an issue price of \$0.20 per Share to raise \$12,000,000 under the Offer.
4. Refer to Section 9.1.1 for details of the Lead Manager Shares and a summary of the Lead Manager Mandate.
5. Refer to Section 9.2 for details of the Vendor Shares and a summary of the Tenement Purchase Agreement.

Options

	Minimum Subscription	Maximum Subscription
Options currently on issue ¹	33,975,000	33,975,000
Options to be issued to the Vendor ²	1,600,000	1,600,000
Total Options on completion of the Offer	35,575,000	35,575,000

Notes:

1. Refer to Section 10.3 for the terms of the Existing Options.
2. Refer to Section 9.2 for details of the Vendor Options. Refer to Section 10.3 for the terms of the Vendor Options.

Performance Rights

	Minimum Subscription	Maximum Subscription
Performance Rights to be issued pursuant to the Proposed Managing Director, Company Secretary and Exploration Manager ¹	2,750,000	6,800,000
Total Performance Rights on completion of the Offer	2,750,000	6,800,000

Notes:

1. Refer to Section 10.4 for the terms of the Performance Rights to be issued to the Proposed Managing Director, Company Secretary and Exploration Manager, and Section 10.5 for the details about the issue of the Performance Rights.

5.10 Loyalty Options

Subject to completion of the Offer and listing on the ASX, it is the Company's present intention that it will undertake a pro rata non-renounceable entitlement issue of Loyalty Options to existing Shareholders that are registered as members of the Company on or about the date which is 3 months from the date that the Company's Shares are admitted to trading on the Official List.

These Loyalty Options would be offered under a separate prospectus and it is proposed that, for an issue price of \$0.01 per Loyalty Option, one Loyalty Option will be granted for every two Shares held by eligible Shareholders on the record date (other than Shares held by Shareholders with a registered address outside of Australia). It is expected that the Loyalty Options will be exercisable at \$0.25 each, with an expiry date approximately five years from the date of issue of the Loyalty Options.

5.11 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus and on completion of the Offer are set out in the respective tables below.

As at the date of the Prospectus

Shareholder	Shares	Options	Performance Rights	Percentage (%)	
				Undiluted	Fully Diluted
Christopher Swallow ¹	2,700,000	4,050,000	Nil	8.3%	10.1%
Paul Roberts ²	5,000,000	7,500,000	Nil	15.3%	18.8%
Dr Barry Murphy ³	3,000,000	4,500,000	Nil	9.2%	11.3%
Barnaby Egerton-Warburton ⁴	4,000,000	6,000,000	Nil	12.3%	15.0%
Paul Lloyd ⁵	4,000,000	6,000,000	Nil	12.3%	15.0%

Notes:

1. 2,700,000 Shares and 4,050,000 Options held by a nominee on behalf of Leonie Swallow ATF the Chris and Leonie Swallow Family Trust (a trust which Christopher Swallow is a beneficiary of).
2. 5,000,000 Shares and 7,500,000 Options held by a nominee on behalf of Paul Anthony Roberts & Esperanza Angelica Gutierrez Bejarano ATF Wireless Hill Trust (a trust which Paul Roberts is a beneficiary of).
3. 3,000,000 Shares and 4,500,000 Options held by a nominee on behalf of Fractore Pty Ltd ATF the Ardgillan Estate Super Fund (a trust which Barry Murphy is a beneficiary of).
4. 4,000,000 Shares and 6,000,000 Options held by a nominee on behalf of Whistler Street Pty Ltd ATF The Warburton Discretionary Trust (a trust which Barnaby Egerton-Warburton is a beneficiary of).
5. 4,000,000 Shares and 6,000,000 Options held by a nominee on behalf of Coral Brook Pty Ltd ATF the Lloyd Superannuation Fund (a trust which Paul Lloyd is a beneficiary of).

On completion of the issue of Shares under the Offer with Minimum Subscription (assuming no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Offer):

Shareholder	Shares	Options	Performance Rights	Percentage (%)	
				Undiluted	Fully Diluted
Christopher Swallow ¹	2,700,000	4,050,000	1,140,000	3.4%	6.7%
Paul Roberts ²	5,000,000	7,500,000	Nil	6.3%	10.7%
Dr Barry Murphy ³	3,000,000	4,500,000	Nil	3.8%	6.4%
Barnaby Egerton-Warburton ⁴	4,000,000	6,000,000	Nil	5.1%	8.5%
Paul Lloyd ⁵	4,000,000	6,000,000	Nil	5.1%	8.5%

Notes:

1. 2,700,000 Shares and 4,050,000 Options held by a nominee on behalf of Leonie Swallow ATF the Chris and Leonie Swallow Family Trust (a trust which Christopher Swallow is a beneficiary of). 1,140,000 Performance Rights (on a Minimum Subscription basis) are to be issued to Christopher Swallow under the Management Offer.
2. 5,000,000 Shares and 7,500,000 Options held by a nominee on behalf of Paul Anthony Roberts & Esperanza Angelica Gutierrez Bejarano ATF Wireless Hill Trust (a trust which Paul Roberts is a beneficiary of).
3. 3,000,000 Shares and 4,500,000 Options held by a nominee on behalf of Fractore Pty Ltd ATF the Ardgillan Estate Super Fund (a trust which Barry Murphy is a beneficiary of).
4. 4,000,000 Shares and 6,000,000 Options held by a nominee on behalf of Whistler Street Pty Ltd ATF The Warburton Discretionary Trust (a trust which Barnaby Egerton-Warburton is a beneficiary of).
5. 4,000,000 Shares and 6,000,000 Options held by a nominee on behalf of Coral Brook Pty Ltd ATF the Lloyd Superannuation Fund (a trust which Paul Lloyd is a beneficiary of).

On completion of the issue of Shares under the Offer with Maximum Subscription (assuming no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Offer):

Shareholder	Shares	Options	Performance Rights	Percentage (%)	
				Undiluted	Fully Diluted
Christopher Swallow ¹	2,700,000	4,050,000	3,000,000	2.7%	6.8%
Paul Roberts ²	5,000,000	7,500,000	Nil	5.0%	8.8%
Dr Barry Murphy ³	3,000,000	4,500,000	Nil	3.0%	5.3%
Barnaby Egerton-Warburton ⁴	4,000,000	6,000,000	Nil	4.0%	7.0%
Paul Lloyd ⁵	4,000,000	6,000,000	Nil	4.0%	7.0%

Notes:

1. 2,700,000 Shares and 4,050,000 Options held by a nominee on behalf of Leonie Swallow ATF the Chris and Leonie Swallow Family Trust (a trust which Christopher Swallow is a beneficiary of). 3,000,000 Performance Rights (on a Maximum Subscription basis) are to be issued to Christopher Swallow under the Management Offer.

2. 5,000,000 Shares and 7,500,000 Options held by a nominee on behalf of Paul Anthony Roberts & Esperanza Angelica Gutierrez Bejarano ATF Wireless Hill Trust (a trust which Paul Roberts is a beneficiary of).
3. 3,000,000 Shares and 4,500,000 Options held by a nominee on behalf of Fractore Pty Ltd ATF the Ardgillan Estate Super Fund (a trust which Barry Murphy is a beneficiary of).
4. 4,000,000 Shares and 6,000,000 Options held by a nominee on behalf of Whistler Street Pty Ltd ATF The Warburton Discretionary Trust (a trust which Barnaby Egerton-Warburton is a beneficiary of).
5. 4,000,000 Shares and 6,000,000 Options held by a nominee on behalf of Coral Brook Pty Ltd ATF the Lloyd Superannuation Fund (a trust which Paul Lloyd is a beneficiary of).

The Company will announce to the ASX details of its top-20 Shareholders following completion of the Offer prior to the Shares commencing trading on ASX.

5.12 Restricted Securities

Subject to the Company being admitted to the Official List and completing the Offer, certain Shares will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these Shares are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of Shares in a timely manner.

The Company will announce to the ASX full details (quantity and duration) of the securities required to be held in escrow prior to its Admission (which admission is subject to ASX's discretion and approval).

The Company's 'free float' (being the percentage of Shares not subject to escrow and held by Shareholders that are not related parties of the Company (or their associates) at the time of Admission) will not be less than 20%, in compliance with ASX Listing Rule 1.1 Condition 7.

5.13 Dividend policy

Payment of dividends by the Company is at the discretion of the Board. Given the stage of development of the Company, the Board anticipates that significant expenditure will be incurred in the evaluation and development of the Company's Project. These activities, together with the possible acquisition of interests in other projects, are expected to dominate at least, the first two-year period following the Company's Admission. Accordingly, the Directors have no current intention to declare and pay a dividend and no dividends are expected to be paid during the foreseeable future following the Company's listing on the ASX.

In determining whether to declare future dividends the Directors and will consider the level of earnings of the Company, the operating results and overall financial condition of the Company, future capital requirements, capital management initiatives, general business outlook and other factors the Directors may consider relevant at the time of their decision.

The Directors cannot and do not provide any assurances in relation to the future payment of dividends or the level of franking credits attaching to dividends can be given by the Company.

5.14 Additional Information

Prospective investors are referred to and encouraged to read in its entirety both the:

- (a) the Independent Technical Assessment Report in Annexure A for further details about the geology, location and mineral potential of the Company's Project;
- (b) the Solicitor's Report on Tenements in Annexure B for further details in respect to the Company's interests in the Tenements; and
- (c) the Independent Limited Assurance Report in Annexure C for further details on the Company's financials.

6. FINANCIAL INFORMATION

6.1 Introduction

The financial information contained in this Section 6 includes:

- (a) the audited historical consolidated Statement of Financial Position of the Group as at 30 June 2022 and audited historical consolidated Statement of Profit or Loss and other Comprehensive Income and consolidated Statement of Cash Flows of the Group for the period from incorporation of the Company, 1 April 2022 to 30 June 2022;

(referred to as **the Historical Financial Information**); together with

- (b) the pro forma Statement of Financial Position of the Group as at 30 June 2022 and supporting notes which include the pro forma adjustments (**Pro Forma Financial Information**);

(together referred to as the **Financial Information**).

The Directors are responsible for the preparation and inclusion of the Financial Information in the Prospectus. HLB Mann Judd has prepared an Independent Limited Assurance Report in respect of the Financial Information, as set out in Annexure C. Investors should note the scope and limitations of the Independent Limited Assurance Report.

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

6.2 Basis of preparation of the Historical Financial Information

The Historical Financial Information included in this Section 6 has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards (including the Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board and the Corporations Act 2001. The Historical Financial Information is presented in an abbreviated form insofar as it does not include all the presentation, disclosures, statements or comparative information as required by Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act 2001. Significant accounting policies applied to the Historical Financial Information are set out in Section 6.9 under the heading 'Significant Accounting Policies'.

The Historical Financial Information has been prepared for the purpose of the Offer. The Group comprises the Company and its wholly owned subsidiary, Mangusta Minerals Pty Ltd.

6.3 Basis of preparation of the Pro Forma Financial Information

The Pro Forma Financial Information included in this Section 6 has been prepared for the purposes of inclusion in this Prospectus. The Pro Forma Financial Information is based on the audited historical consolidated Statement of Financial Position of the Group as at 30 June 2022 and adjusting for the impacts of the Offer and other pro forma adjustments.

The Pro Forma Financial Information does not reflect the actual financial results of the Group for the period indicated. The directors of the Company believe that it provides useful information as it illustrates to investors the financial position of the

Group immediately after the Offer is completed and related pro forma adjustments are made.

The information set out in this Section 6 and the Group's selected Financial Information should be read together with:

- (a) the Risk Factors described in Section 7;
- (b) the Use of Funds described in Section 5.8;
- (c) the Indicative Capital Structure described in Section 5.10;
- (d) the Independent Limited Assurance Report on the Historical Financial Information set out in Annexure C; and
- (e) the other information contained in this Prospectus.

Investors should also note that historical results are not a guarantee of future performance.

6.4 Historical Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Period ended 30 June 2022
	Audited \$
Revenue	-
Audit and accounting fees	(5,000)
Consultants and contractors	(18,610)
Corporate and administrative costs	(32,997)
Depreciation expense	(4,731)
Employee benefits expense	(64,083)
Tenement fees	(22,652)
Interest expense	(703)
Superannuation expense	(5,833)
Loss before tax	(154,609)
Income tax expense	-
Net loss for the period	(154,609)
Other comprehensive income	-
Total comprehensive loss for the period	(154,609)

6.5 Historical Consolidated Statement of Cash Flows

	Period ended 30 June 2022
	Audited \$
Cash flows from operating activities	
Payments to exploration and evaluation expensed	(17,373)
Payments to suppliers and employees	(111,168)
Net cash (used in) operating activities	(128,541)
Cash flows from investing activities	
Payments for exploration and evaluation	(12,958)
Net cash (used in) investing activities	(12,958)
Cash flows from financing activities	
Proceeds from issue of shares	1,022,650
Net cash provided by financing activities	1,022,650
Net increase in cash held	881,151
Cash and cash equivalents at beginning of the period	-
Cash and cash equivalents at end of the period	881,151

6.6 Historical Consolidated Statement of Financial Position

	30 June 2022
	Audited \$
Current assets	
Cash and cash equivalents	881,151
Trade and other receivables	6,226
Other	2,123
Total current assets	889,500
Non-current assets	
Exploration and evaluation assets	12,958

	30 June 2022
	Audited \$
Leasehold improvements	49,749
Right-of-use assets	269,660
Total non-current assets	332,367
Total assets	1,221,867
Current liabilities	
Trade and other payables	28,026
Lease liabilities	50,351
Employee benefits	5,750
Other	49,749
Total current liabilities	133,876
Non-current liabilities	
Lease liabilities	219,950
Total non-current liabilities	219,950
Total liabilities	353,826
Net assets	868,041
Equity	
Issued capital	1,022,650
Accumulated losses	(154,609)
Total equity	868,041

6.7 Pro Forma Statement of Financial Position

The table below sets out the pro forma adjustments that have been incorporated into the Pro Forma Statement of Financial Position as at 30 June 2022.

The pro forma adjustments reflect the financial impact of the Offer and other transactions as if they had occurred at 30 June 2022.

The Pro Forma Statement of Financial Position is provided for illustrative purposes only and is not represented as necessarily indicative of the Group's financial position.

	Notes	Audited as at 30 June 2022	Pro Forma Adjustments (MIN)	Pro Forma 30 June 2022 (MIN)	Pro Forma Adjustments (MAX)	Pro Forma 30 June 2022 (MAX)
		\$	\$	\$	\$	\$
<u>Current assets</u>						
Cash and cash equivalents	6.10	881,151	7,204,805	8,085,956	10,961,234	11,842,385
Trade and other receivables		6,226	-	6,226	-	6,226
Other		2,123	-	2,123	-	2,123
Total current assets		889,500	7,204,805	8,094,305	10,961,234	11,850,734
<u>Non-current assets</u>						
Exploration and evaluation assets	6.11	12,958	1,029,200	1,042,158	1,029,200	1,042,158
Leasehold improvements		49,749	-	49,749	-	49,749
Right-of-use assets		269,660	-	269,660	-	269,660
Total non-current assets		332,367	1,029,200	1,361,517	1,029,200	1,361,567
Total assets		1,221,867	8,234,005	9,455,872	11,990,434	13,212,301
<u>Current liabilities</u>						
Trade and other payables		28,026	-	28,026	-	28,026
Lease liabilities		50,351	-	50,351	-	50,351
Employee benefits		5,750	-	5,750	-	5,750
Other		49,749	-	49,749	-	49,749
Total current liabilities		133,876	-	133,876	-	133,876
<u>Non-current liabilities</u>						
Lease liabilities		219,950	-	219,950	-	219,950
Total non-current liabilities		219,950	-	219,950	-	219,950
Total liabilities		353,826	-	353,826	-	353,826
Net assets		868,041	8,234,005	9,102,046	11,990,434	12,858,475
<u>Equity</u>						
Issued capital	6.12	1,022,650	8,322,300	9,344,950	12,083,500	13,106,150
Reserves	6.13	-	179,200	179,200	179,200	179,200
Accumulated losses	6.14	(154,609)	(267,495)	(422,104)	(272,266)	(426,875)
Total equity		868,041	8,234,005	9,102,046	11,990,434	12,858,475

6.8 Pro forma adjustments

- (a) The issue by the Company of 40,000,000 ordinary fully paid shares issued at \$0.20 each raising \$8,000,000 (before the expenses of the Offer) from the initial public offering (Minimum Subscription); or the issue by the Company of 60,000,000 ordinary fully paid shares issued at \$0.20 each raising \$12,000,000 (before the expenses of the Offer) from the initial public offering (Maximum Subscription).
- (b) The recognition against issued capital of the cash component of the Lead Manager fee of \$480,000 (Minimum Subscription); or \$720,000 (Maximum Subscription).
- (c) The write-off to profit and loss of the other cash expenses of the Offer of \$267,495 (Minimum Subscription); or \$272,266 (Maximum Subscription), comprising total costs of \$291,104 (Minimum Subscription) or \$295,875 (Maximum Subscription), less \$23,609 paid prior to 30 June 2022.
- (d) The issue of 2,300,000 ordinary fully paid shares to the Lead Manager for consideration of \$0.001 per share, with total proceeds of \$2,300 being received (Minimum Subscription); or the issue of 3,500,000 ordinary fully paid shares to the Lead Manager for consideration of \$0.001 per share, with total proceeds of \$3,500 being received (Maximum Subscription). As the shares are being issued at the same time as the capital raising under the Offer, these shares are valued at \$0.20 each. The difference between the total value of \$460,000 and the proceeds received of \$2,300, namely \$457,700 (Minimum Subscription); or the total value of \$700,000 and the proceeds received of \$3,500, namely \$696,500 (Maximum Subscription), has been accounted for as a capital raising cost and applied against issued capital.
- (e) The issue of a total of 2,750,000 (Minimum Subscription); or 6,800,000 (Maximum Subscription) performance rights to Director Chris Swallow, Company Secretary Tony Tomba, and Exploration Manager Bianca Manzi. The vesting conditions and valuation assumptions relating to these performance rights are set out in Section 6.13.
- (f) The Company entered into the Bacchus Tenement Purchase Agreement ("Bacchus Agreement") on 20 September 2022 under which the Company will issue 4,000,000 fully paid ordinary shares and 1,600,000 options, as consideration for the acquisition of certain tenements in the Northern Territory as set out in the Bacchus Agreement. The total value of the consideration is \$979,200. Further details are set out in Sections 6.16.
- (g) The payment of estimated stamp duty of \$50,000 on the acquisition of the Northern Territory tenements included in the Bacchus Agreement.

6.9 Significant accounting policies

(a) Basis of preparation

The Financial Information has been prepared on an accruals basis and is based on historical costs. Cost is based on the fair values of the consideration given in exchange for assets. The Financial Information has also been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board.

(b) **Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of DeSoto Resources Limited ("Company" or "parent entity") as at 30 June 2022 and the results of all subsidiaries for the period then ended. DeSoto Resources Limited and its subsidiaries together are referred to in these financial statements as "the Group".

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

(c) **Income tax**

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- (i) When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a

transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or

- (ii) Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise these temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

(d) **Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(e) **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

(f) **Exploration and evaluation expenditure**

Costs arising from exploration and evaluation activities are carried forward where the rights to tenure for the area of interest are current and such costs are expected to be recouped through successful development, or by sale, or where exploration and evaluation activities have not, at reporting date, reached a stage to allow a reasonable assessment regarding the existence of economically recoverable reserves.

(g) **Property, plant and equipment**

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits/accumulated losses.

(h) **Right-of-use assets**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(i) **Lease liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(j) **Finance costs**

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

(k) **Provisions**

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

(l) **Employee benefits**

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

(m) **Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

(n) **Issued capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(o) **Financial instruments**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. For financial assets, this is the date that the Group commits itself to either purchase or sale of assets.

Financial liabilities

Financial liabilities are classified, at initial recognition, as either financial liabilities at fair value through profit and loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

An instrument is a financial liability when an issuer is, or can be, required to deliver either cash or another financial asset (e.g. ordinary shares in the Company) to the holder.

Where the Group has the choice of settling a financial instrument in cash or otherwise is contingent on the outcome of circumstances beyond the control of both the Group and the holder, the Group accounts for the instrument as a financial liability.

All financial liabilities are initially recognised at fair value. The Group's financial liabilities include trade and other payables and borrowings.

Financial assets

Financial assets are initially recognised at fair value.

(p) **Business combinations**

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

(q) **Going Concern**

The Financial Information has been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business.

(r) **Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial period and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discontinued. The amounts are unsecured and are usually paid within 30 days of recognition.

(s) **Share-based payments**

Equity settled transactions:

The Group provides benefits to employees (including senior executives) in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity settled transactions).

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black & Scholes or Hoadley Barrier¹ option-pricing models. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of DeSoto Resources Limited. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of profit or loss and other comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, measured at the modification date.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

6.10 Cash and cash equivalents

	Note	Historical (Audited)	Pro Forma Adjustments (Minimum)	Pro Forma (Minimum)	Pro Forma Adjustments (Maximum)	Pro Forma (Maximum)
		\$	\$	\$	\$	\$
Audited cash and cash equivalents as at 30 June 2022		881,151	-	881,151	-	881,151
<i>Pro forma adjustments:</i>						
IPO share issue	6.8(a)	-	8,000,000	8,000,000	12,000,000	12,000,000
IPO Offer costs – Lead Manager fee	6.8(b)	-	(480,000)	(480,000)	(720,000)	(720,000)
IPO Offer costs - other	6.8(c)	-	(267,495)	(267,495)	(272,266)	(272,266)
Proceeds from issue of shares to Lead Manager	6.8(d)	-	2,300	2,300	3,500	3,500
Estimated stamp duty	6.8(g)	-	(50,000)	(50,000)	(50,000)	(50,000)
Total pro forma adjustments		-	7,204,805	7,204,805	10,961,234	10,961,234
Pro forma cash and cash equivalents		881,151	7,204,805	8,085,956	10,961,234	11,842,385

6.11 Exploration and evaluation assets

	Note	Historical (Audited)	Pro Forma Adjustments (Minimum)	Pro Forma (Minimum)	Pro Forma Adjustments (Maximum)	Pro Forma (Maximum)
		\$	\$	\$	\$	\$
Audited exploration and evaluation assets as at 30 June 2022		12,958	-	12,958	-	12,958
<i>Pro forma adjustments:</i>						
Acquisition of tenements under Bacchus Agreement:						
Value of shares	6.8(f)	-	800,000	800,000	800,000	800,000
Value of options	6.8(f)	-	179,200	179,200	179,200	179,200
Payment of estimated stamp duty on tenement acquisitions	6.8(g)	-	50,000	50,000	50,000	50,000
Total pro forma adjustments		-	1,029,200	1,029,200	1,029,200	1,029,200
Pro forma exploration and evaluation assets		12,958	1,029,200	1,042,158	1,029,200	1,042,158

6.12 Issued capital

	Note	Number of shares	\$
Balance on incorporation		-	-
Issue of shares to Founders on 1 April 2022 at \$0.001 per share		22,650,000	22,650
Issue of sed capital shares on 3 May 2022 at \$0.10 per share		10,000,000	1,000,000
Audited issued capital as at 30 June 2022		32,650,000	1,022,650
<i>Pro forma adjustments (Minimum):</i>			
IPO share issue	6.8(a)	40,000,000	8,000,000
Shares issued to Lead Manager	6.8(d)	2,300,000	2,300
Additional value of shares issued to Lead Manager ¹	6.8(d)	-	457,700
Additional value of shares issued to Lead Manager treated as share issue cost ¹	6.8(d)	-	(457,700)

	Note	Number of shares	\$
Shares issued on acquisition of Bacchus tenements	6.8(f)	4,000,000	800,000
IPO Offer costs – Lead Manager fee	6.8(b)	-	(480,000)
Total pro forma adjustments (Minimum)		46,300,000	8,322,300
Pro forma issued capital (Minimum)		78,950,000	9,344,950

Pro forma adjustments (Maximum):	Note	Number of shares	\$
IPO share issue	6.8(a)	60,000,000	12,000,000
Shares issued to Lead Manager	6.8(d)	3,500,000	3,500
Additional value of shares issued to Lead Manager ¹	6.8(d)	-	696,500
Additional value of shares issued to Lead Manager treated as share issue cost ¹	6.8(d)	-	(696,500)
Shares issued on acquisition of Bacchus tenements	6.8(f)	4,000,000	800,000
IPO Offer costs – Lead Manager fee	6.8(b)	-	(720,000)
Total pro forma adjustments (Maximum)		67,500,000	12,083,500
Pro forma issued capital (Maximum)		100,150,000	13,106,150

Notes:

1. Valuation of shares issued to the Lead Manager

As part of its mandate for acting as Lead Manager of the Offer, the Lead Manager will be paid a management fee and selling fee as set out in Section 9.1.1, as well as being issued 2,300,000 fully paid ordinary shares for consideration of \$0.001 per share (Minimum Subscription); or 3,500,000 fully paid ordinary shares for consideration of \$0.001 per share (Maximum Subscription). Proceeds of \$2,300 (Minimum Subscription); or \$3,500 (Maximum Subscription) from the issue of these shares have been incorporated into the pro forma balances.

As these shares will be issued upon successful completion of the Offer, the deemed value of these shares is \$460,000 (Minimum Subscription); or \$700,000 (Maximum Subscription), being 2,300,000 shares at the IPO issue price of \$0.20 per share (Minimum Subscription); or 3,500,000 shares at the IPO price of \$0.20 (Maximum Subscription). The difference between these values and the proceeds from the issue of these shares of \$2,300, being \$457,700 (Minimum Subscription); or \$3,500, being \$696,500 (Maximum Subscription), has been brought to account as a capital raising cost and applied against issued capital.

6.13 Reserves

	Note	\$
Share-based payment reserve		
Audited reserves as 30 June 2022		-

<i>Pro forma adjustments Minimum and Maximum):</i>		
Value of options issued on acquisition of Bacchus tenements	6.8(f)	179,200
Total pro forma adjustments (Minimum and Maximum)		179,200
Pro forma reserves (Minimum and Maximum)		179,200

Valuation of options issued to the vendors of the Bacchus tenements

The Company will issue 1,600,000 options, as part consideration for the acquisition of certain tenements in the Northern Territory as set out in the Bacchus Agreement. These options are exercisable at \$0.35 and expire five years from the date of issue. They have been valued using a Black & Scholes options pricing model at \$179,200 using the following assumptions:

Underlying share price	\$0.20
Expected volatility	80%
Life of rights	5 years
Risk free rate	3.93%
Fair value per right	\$0.112

Performance Rights

The Company will issue a total of 2,750,000 performance rights (Minimum Subscription); or 6,800,000 (Maximum Subscription) to Proposed Managing Director Chris Swallow, Company Secretary Tony Tomba, and Exploration Manager Bianca Manzi. The vesting conditions attached to these performance rights are as noted below.

Class	Vesting condition	Expiry date	Number – Christopher Swallow	Number – Tony Tomba	Number – Christopher Swallow	Number – Tony Tomba
			MINIMUM		MAXIMUM	
A	Performance Rights will vest and become exercisable on the later of: (a) the 12 month anniversary of the Company's IPO; and (b) the Company's shares achieving a volume weighted average price per share of 25% greater than the Company's IPO subscription price, calculated over any 20 consecutive trading days on	On or before the date that is 5 years from the date of issue.	570,000	500,000	1,500,000	1,250,000

Class	Vesting condition	Expiry date	Number – Christopher Swallow	Number – Tony Tomba	Number – Christopher Swallow	Number – Tony Tomba
			MINIMUM		MAXIMUM	
	which the shares are recorded on ASX.					
B	Performance Rights will vest and become exercisable on the later of: (a) the 24 month anniversary of the Company's IPO; and (b) the Company's shares achieving a volume weighted average price per share of 50% greater than the Company's IPO subscription price, calculated over any 20 consecutive trading days on which the shares are recorded on ASX.	On or before the date that is 5 years from the date of issue.	570,000	500,000	1,500,000	1,250,000
Total			1,140,000	1,000,000	3,000,000	2,500,000

Class	Vesting condition	Expiry date	Number – Bianca Manzi	Number – Bianca Manzi
			MINIMUM	MAXIMUM
C	The Company achieving a JORC compliant inferred mineral resource estimate of 100,000 ounce gold, with a cut off grade of 0.5g/t.	On or before the date that is 5 years from the date of issue.	305,000	650,000
D	The Company achieving a JORC compliant inferred mineral resource estimate of 250,000 ounce gold, with a cut off grade of 0.5g/t.	On or before the date that is 5 years from the date of issue.	152,500	325,000
E	The Company achieving a JORC compliant inferred mineral resource estimate of 500,000 ounce gold, with a cut off grade of 0.5g/t.	On or before the date that is 5 years from the date of issue.	152,500	325,000
Total			610,000	1,300,000

The vesting conditions that are not market-based have not been incorporated into the valuation of the performance rights related to those vesting conditions.

As a result, the performance rights with non-market vesting conditions (classes C, D and E) are valued at \$0.20 per right, being the IPO issue price. The vesting conditions that are market-based (being those linked to share price performance) are incorporated into the valuation of the performance rights related to those vesting conditions. A Hoadley Barrier¹ Model was used to value the rights, which calculated a fair value per right of \$0.1932. The total value of all performance rights is \$413,448 (Minimum Subscription); or \$1,062,600 (Maximum Subscription), which is to be brought to account over the vesting period of five years. The effect at the date of this Prospectus is immaterial, and therefore no amount has been recorded in the pro forma Statement of Financial Position. Refer to Section 10.4 for full details of Performance Rights.

The main assumptions used in valuing the performance rights with market-based vesting conditions are as follows:

Underlying share price	\$0.20
Barrier	\$0.33465
Expected volatility	100%
Life of rights	5 years
Risk free rate	3.17%
Fair value per right	\$0.1932

6.14 Accumulated losses

	Note	\$
Audited accumulated losses as 30 June 2022		(154,609)
<i>Pro forma adjustments (Minimum):</i>		
IPO Offer costs expensed	6.8(c)	(267,495)
Total pro forma adjustments (Minimum)		(267,495)
Pro forma accumulated losses (Minimum)		(422,104)
<i>Pro forma adjustments (Maximum):</i>		
IPO Offer costs expensed	6.8(c)	(272,266)
Total pro forma adjustments (Maximum)		(272,266)
Pro forma accumulated losses (Maximum)		(426,875)

6.15 Options on issue

A total of 33,975,000 options were issued to the Company's Founders on 1 April 2022, as free attaching options to the issue of 22,650,000 fully paid shares to the Founders on 1 April 2022. These options are exercisable at \$0.25 on or before 1 April 2027.

As noted in Section 6.13, 1,600,000 options will be issued to the vendors of the Bacchus tenements. These options are exercisable at \$0.35 and expire five years from the date of issue.

6.16 Bacchus Tenement Purchase Agreement

On 20 September 2022, the Company entered into the Bacchus Tenement Purchase Agreement ("Bacchus Agreement") whereby the Company will issue 4,000,000 ordinary fully paid shares and 1,600,000 options exercisable at \$0.35 within five years of the date of issue, as consideration for the acquisition of certain Northern Territory tenements as set out in the Bacchus Agreement. The consideration has been valued as follows:

	\$
4,000,000 ordinary fully paid shares at \$0.20, being the issue price of shares under the IPO	800,000
1,600,000 options exercisable at \$0.35 within five years of the date of issue valued at \$0.112 per option	179,200
	979,200

7. RISK FACTORS

7.1 Introduction

The Shares offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The future performance of the Company and the value of the Shares may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks that have a direct influence on the Company, and its Project and activities are set out in Section 3. Those key risks as well as other risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed Shares and financial markets generally are described below.

The risks factors set out in this Section 7, and other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares. This Section 7 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 7, together with all other information contained in this Prospectus.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 7 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

7.2 Company specific risks

Risk Category	Risk
General	The business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the Shares of our Company. The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which the Board can effectively manage them is limited.
Limited history	Having been incorporated on 1 April 2022, the Company does not have any operating history, although it should be noted that the Directors have between them significant operational experience. Previous exploration has been conducted on the Project, however the Company has only undertaken limited reconnaissance to date and will not commence these activities until the Company has been admitted to the Official List.

Risk Category	Risk
	<p>The prospects of the Company must be considered in light of the risks, expenses and difficulties frequently encountered by companies in their early stage of development, particularly in the mineral exploration sector, which has a high level of inherent uncertainty.</p> <p>No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenements. Until the Company is able to realise value from its Project, it is likely to incur ongoing operating losses.</p>
Exploration and operations	<p>Three of the Fenton Tenements are still under application and the other tenements comprising the Project are at various stages of exploration. Investors should understand that mineral exploration and development are high-risk undertakings.</p> <p>There can be no assurance that future exploration on the tenements comprising the Project, or any other tenements that may be acquired in the future, will result in the discovery of an economic mineral resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.</p> <p>The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns or adverse weather conditions, unanticipated operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and staff, native title process, changing government regulations and many other factors beyond the control of the Company.</p> <p>The success of the Company will also depend upon the Company being able to maintain title to the tenements comprising the Project and obtaining all required approvals for their contemplated activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the Project, a reduction in the cash reserves of the Company and possible relinquishment of one or more of the tenements comprising the Project.</p>
Applications and renewals, access and third-party interests	<p>Applications</p> <p>The Company is unaware of any circumstances that would prevent the various tenement applications comprising the Fenton Tenements from being granted. However, the consequence of being denied the applications for reasons beyond the control of the Company could be significant.</p> <p>Refer to the Solicitor's Report on Tenements in Annexure B for further information on the Company's tenement applications at the Project.</p>

Risk Category	Risk
	<p>Renewal</p> <p>Mining and exploration tenements are subject to periodic renewal. The renewal of the term of granted tenements is subject to compliance with the applicable mining legislation and regulations and the discretion of the relevant mining authority. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.</p> <p>The Company considers the likelihood of tenure forfeiture to be low given the laws and regulations governing exploration in the Northern Territory and the ongoing expenditure budgeted for by the Company. However, the consequence of forfeiture or involuntary surrender of a granted tenement for reasons beyond the control of the Company could be significant.</p> <p>Access</p> <p>The Company has confirmed that its proposed exploration activities will not take place on tenement areas that overlap Crown Lease land.</p> <p>A number of the Company's tenements overlap pastoral leases. The Company is aware that it is required to obtain the consent of the occupiers or lease holders to undertake its proposed exploration activities on the tenements.</p> <p>The Company, through its wholly owned subsidiary, Mangusta, will apply for authority certificates from the Aboriginal Areas Protection Authority (AAPA) to obtain certainty that its activities within the tenements will not result in any offences under the relevant Aboriginal heritage legislation.</p> <p>Please refer to the Solicitor's Report on Tenements in Annexure B for further details.</p>
<p>Future capital requirements</p>	<p>The Company's capital requirements depend on numerous factors. The Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.</p>
<p>Climate</p>	<p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:</p> <p>(a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon</p>

Risk Category	Risk
	<p>economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its business viability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and</p> <p>(b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.</p>
Related party	<p>The Company has a number of key contractual relationships with related parties. If these relationships breakdown and the related party agreements are terminated, there is a risk that the Company may not be able to find a satisfactory replacement.</p> <p>Further, the operations of the Company will require involvement of related parties and other third parties. With respect to these persons and despite applying best practice in terms of pre-contracting due diligence, the Company is unable to completely avoid the risk of:</p> <p>(a) financial failure or default by a participant in any agreement to which the Company may become a party; and/or</p> <p>(b) insolvency, default on performance or delivery by any operators, contractors or service providers.</p> <p>There is also a risk that where the Company has engaged a contractor who is a related party, the contract between the contractor and the Company may terminate for reasons outside of the control of the Company. This may then result in the termination of the contract between the Company and the contractor and the impact the Company's position, performance and reputation.</p>

7.3 Industry specific risks

Risk Category	Risk
Native title and Aboriginal Heritage	<p>In relation to Tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.</p> <p>There are currently registered native title claims over Tenements EL33189, EL32884, EL32148, EL31356 and EL31899.</p> <p>Further to this, an Indigenous Land Use Agreement (ILUA) is registered against Tenement EL32885. The terms and conditions of any such ILUA may be unfavourable for, or restrictive against, the Company.</p> <p>The Directors will closely monitor the potential effect of native title claims or Aboriginal heritage matters involving tenements in which the Company has or may have an interest.</p> <p>Please refer to the Solicitor's Report on Tenements in Annexure B of this Prospectus for further details.</p>
Exploration costs	<p>The exploration costs of the Company as summarised in Section 5.8 are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainty, and accordingly, the actual costs may materially differ from the estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely impact the Company's viability.</p>
Resource and reserves and exploration targets	<p>The Company does not presently have any JORC Code compliant resources on the Tenements in which it is earning an interest. The Company has identified a number of exploration targets based on geological interpretations and limited geophysical data, geochemical sampling and historical drilling. Insufficient data however, exists to provide certainty over the extent of the mineralisation. Whilst the Company intends to undertake additional exploration works with the aim of defining a resource, no assurances can be given that additional exploration will result in the determination of a resource on any of the exploration targets identified. Even if a resource is identified no assurance can be provided that this can be economically extracted.</p> <p>Reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature resource and reserve estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate.</p>
Grant of future authorisations	<p>If the Company discovers an economically viable mineral deposit that it then intends to develop, it will, among other</p>

Risk Category	Risk
to explore and mine	things, require various approvals, licences and permits before it will be able to mine the deposit. There is no guarantee that the Company will be able to obtain all required approvals, licenses and permits. To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected.
Mine development	<p>Possible future development of mining operations at the Project is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.</p> <p>If the Company commences production on the Project, its operations may be disrupted by a variety of risks and hazards which are beyond the control of the Company. No assurance can be given that the Company will achieve commercial viability through the development of the Project.</p> <p>The risks associated with the development of a mine will be considered in full should the Project reach that stage and will be managed with ongoing consideration of stakeholder interests.</p>
Environmental	<p>The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.</p> <p>Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.</p> <p>The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and</p>

Risk Category	Risk
	<p>regulations become more onerous making the Company's operations more expensive.</p> <p>Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programs or mining activities.</p>
Regulatory compliance	<p>Regulatory Risks</p> <p>The Company's operating activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and Aboriginal heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.</p> <p>While the Company believes that it will operate in substantial compliance with all material current laws and regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Company or its properties, which could have a material adverse impact on the Company's current operations or planned activities.</p> <p>Obtaining necessary permits can be a time-consuming process and there is a risk that Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the Tenements.</p>
Metallurgy	<p>When compared with many industrial and commercial operations, mining exploration projects are high risk. Each ore body is unique and the nature of the mineralisation, the occurrence and grade of the ore, as well as its behaviour during mining can never be wholly predicted. Estimations of a mineral deposit are not precise calculations but are based on interpretation and on samples from drilling which represent a very small sample of the entire ore body.</p> <p>Reconciliation of past production and reserves, where available, can confirm the reasonableness of past estimates, but cannot categorically confirm accuracy of future projections.</p> <p>The applications of metallurgical test work results and conclusions to the process design, recoveries and throughput</p>

Risk Category	Risk
	depend on the accuracy of the test work and assumption that the sample tests are representative of the ore body as a whole. There is a risk associated with the scale-up of laboratory and pilot plant results to a commercial scale and with the subsequent design and construction of any plant.

7.4 General risks

Risk Category	Risk
Future funding requirements and the ability to access debt and equity markets	<p>The funds raised under the Offer are considered sufficient to meet the immediate objectives of the Company. Additional funding may be required in the event exploration costs exceed the Company's estimates and to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur, additional financing will be required.</p> <p>The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means.</p> <p>Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of exploration, development or production on the Company's properties or even loss of a property interest. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.</p>
Reliance on key personnel	<p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.</p> <p>The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.</p>
Economic conditions and other global or national issues	<p>General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and</p>

Risk Category	Risk
	<p>quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, development and production activities, as well as on its ability to fund those activities. General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.</p>
COVID-19	<p>Coronavirus disease (SARS-CoV-2 (severe acute respiratory syndrome coronavirus 2), coronavirus disease 2019 or COVID 19, including any future resurgence or evolutions or mutations thereof or any related or associated epidemic, pandemic or disease outbreak) (COVID-19) is continuing to impact global economic markets. The nature and extent of the effect of COVID-19 on the performance of the Company remains unknown. The market price of Shares may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.</p> <p>In addition, the effects of COVID-19 on the market price of the Shares and global financial markets generally may also affect the Company's ability to raise equity or debt if and when required or require the Company to issue capital at a discount, which may result in dilution for some or all Shareholders.</p>
Competition	<p>The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.</p>
Currently market no	<p>There is currently no public market for the Company's Shares, the price of its Shares is subject to uncertainty and there can be no assurance that an active market for the Company's Shares will develop or continue after the Offer.</p> <p>The price at which the Company's Shares trade on ASX after listing may be higher or lower than the issue price of Shares offered under this Prospectus and could be subject to fluctuations in response to variations in operating performance and general operations and business risk, as well as external operating factors over which the Directors and the Company have no control, such as movements in mineral prices and exchange rates, changes to government policy, legislation or regulation and other events or factors.</p> <p>There can be no guarantee that an active market in the Company's Shares will develop or that the price of the Shares will increase. There may be relatively few or many potential buyers or sellers of the Shares on ASX at any given time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in</p>

Risk Category	Risk
	Shareholders receiving a market price for their Shares that is above or below the price that Shareholders paid.
Market conditions	<p>Share market conditions may affect the value of the Company's Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> (a) general economic outlook; (b) introduction of tax reform or other new legislation; (c) interest rates and inflation rates; (d) global health epidemics or pandemics; (e) currency fluctuations; (f) changes in investor sentiment toward particular market sectors; (g) the demand for, and supply of, capital; (h) political tensions; and (i) terrorism or other hostilities. <p>The market price of Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p> <p>Potential investors should be aware that there are risks associated with any Shares investment. Shares listed on the stock market, and in particular Shares of exploration companies experience extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies. These factors may materially affect the market price of the shares regardless of the Company's performance.</p> <p>In addition, after the end of the relevant escrow periods affecting Shares in the Company, a significant sale of then tradeable Shares (or the market perception that such a sale might occur) could have an adverse effect on the Company's Share price. Please refer to Section 5.12 for further details on the Shares likely to be classified by the ASX as restricted Shares.</p>
Commodity price volatility and exchange rate	<p>If the Company achieves success leading to mineral production, the revenue it will derive through the sale of product exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.</p> <p>Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the</p>

Risk Category	Risk
	United States dollar and the Australian dollar as determined in international markets.
Government policy changes	Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in the Northern Territory may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.
Insurance	<p>The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.</p> <p>Insurance of all risks associated with mineral exploration and production is not always available and where available the costs can be prohibitive.</p>
Force Majeure	The Company's existing Project or projects acquired in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.
Dilution	<p>In the future, the Company may elect to issue Shares or engage in capital raisings to fund operations and growth, for investments or acquisitions that the Company may decide to undertake, to repay debt or for any other reason the Board may determine at the relevant time.</p> <p>While the Company will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital that it is able to issue within a 12-month period (other than where exceptions apply), Shareholder interests may be diluted as a result of such issues of Shares or other Shares.</p>
Taxation	<p>The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.</p>
Litigation	The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the

Risk Category	Risk
	Company's operations, reputation, financial performance and financial position. The Company is not currently engaged in any litigation.
Ukraine conflict	<p>The current conflict between Ukraine and Russia (Ukraine Conflict) is impacting global economies and financial markets. The nature and extent of the effect the Ukraine Conflict may have on the Company's operations remains uncertain at this time. In the short to medium term, the Company's Share price may be adversely affected by the economic uncertainty caused by the Ukraine Conflict and the wider effect the conflict has on global economies and financial markets.</p> <p>The Directors are monitoring the potential secondary and tertiary macroeconomic impacts of the Ukraine Conflict, including the fluctuations in commodity and energy prices and the potential risk of cyber activity impacting governments and businesses. Further, any governmental or industry measures taken in response to the Ukraine Conflict, including limitations on travel and changes to import/export restrictions and arrangements involving Russia, may adversely impact the Company's operations and are likely to be beyond the control of the Company. The Company is monitoring the situation closely and considers the impact of the Ukraine Conflict on the Company's business and financial performance to, at this stage, be limited. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.</p>

7.5 Investment speculative

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares.

Prospective investors should consider that an investment in the Company is highly speculative.

The Shares offered under this Prospectus carry no guarantee in respect of profitability, dividends, return of capital or the price at which they may trade on the ASX.

Before deciding whether to subscribe for Shares under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

8. BOARD AND KEY MANAGEMENT, CORPORATE GOVERNANCE AND ESG

8.1 Board of Directors

The Board of the Company consists of:

(a) **Paul Roberts (BSc, MSc, FAIG, MGSA)** – *Non-Executive Chairperson*

Mr Paul Roberts has a long and successful history in mineral exploration, management and mine geology both in Australia and overseas.

He was responsible for discovery of the world class Bankan Gold Project in Guinea, the Henty gold deposit and major extensions to the St Dizier tin deposit (both in Tasmania), as well as resource evaluations of the Kuridala copper gold deposit in North Queensland, the Bongara zinc deposit in Peru and a number of gold deposits in the Cue and Meekatharra districts in Western Australia.

Paul was the founder of Predictive Discovery Limited (ASX:PDI), where he served as CEO between 2007 and 2021. Paul was the architect of PDI's business model and was responsible for assembling PDI's project portfolio and West African team.

The Board considers that Mr Roberts is an independent Director.

(b) **Dr Barry Murphy (BA (Nat Sci), Ph D, FAIG, MGSA, FGSL, MSGA)** – *Non-Executive Director*

Dr Barry Murphy has had a highly successful career in mineral exploration, consulting and research. He is a Geoscientist with expertise in structural geology, geophysics, remote sensing and GIS analysis. He has significant base and precious-metal exploration experience in Australia, West Africa, Sudan, DRC, South America, Indonesia and Europe and he was a member of the Bankan Gold discovery team in Guinea.

The Board considers that Dr Murphy is an independent Director.

8.2 Board changes prior to listing

Prior to the Company being admitted the Official List of the ASX, the Company proposes that the following Board changes will take effect:

Christopher Swallow (BA.) – *Proposed Managing Director*

Mr Christopher Swallow has more than 15 years' experience in executive roles spanning the resource, start-up, marketing and government sectors having worked across Australia, Asia and Africa.

Previously he worked in an operational capacity as the Corporate Development Officer for Guinea-focused gold explorer Predictive Discovery Limited and Minbos Resources Limited and he has worked in Strategic Communications as an Advisor to numerous ASX-listed Australian, North American and West African mineral explorers, covering a range of commodities including gold, nickel, zinc and copper.

Currently, Chris is the Chief Executive Officer of BPM Minerals Limited, a Western Australian-focused exploration Company with gold and base-metal projects and is also currently a Non-Executive Director of Lord Resources Limited.

Chris is also a Partner at Modena Ventures, an ECM firm with bespoke financing solutions for founders, entrepreneurs and companies, delivering access to capital from public markets.

The Board considers that Mr Swallow is not an independent Director.

The Board has considered the Company's immediate requirements as it transitions to an ASX-listed company and is satisfied that the composition of the Board represents an appropriate range of experience, qualifications and skills at this time.

8.3 Key management

The Company's key management team includes Mr Tony Tomba and Ms Bianca Manzi, whose profiles are set out below:

Tony Tomba – *Company Secretary*

Tony Tomba is an experienced Finance executive with a track record of leadership performance across multiple industries, in both large and medium sized global enterprises.

He held various Senior Finance and HQ Tax roles in Australia and overseas, during his 19 years with the Schlumberger Group, after which he held Senior Finance positions for companies operating in the international aviation and domestic offshore marine sectors.

Tony is technically strong in corporate governance, compliance, risk management, planning, budgeting, GAAP financial reporting, working capital management and tax.

Bianca Manzi – *Exploration Manager*

Ms Bianca Manzi is a Geologist with over 25 years' exploration and corporate management experience across a range of commodities including gold, nickel, PGE's, uranium, graphite, coal and magnetite in Australia and Africa. Bianca has significant experience taking grass roots exploration through to mine development.

Following a career working for both global and junior mining and exploration companies, Bianca founded her own Company, consulting to a number of ASX listed Companies and has previously been a Non-Executive director of an ASX listed company.

The Company is aware of the need to have sufficient management to properly supervise its operations and the Board will continually monitor the management roles in the Company. As the Company's exploration and development activities and overall operations require an increased level of involvement the Board will look to appoint additional management and/or consultants when and where appropriate. The Company intends to utilise the services of experts and consultants for technical input, including to assist formulate overall exploration strategy and direction, and reporting in compliance with ASX and JORC standards.

8.4 Disclosures of interests

No Director or Proposed Managing Director has been the subject of (or was a director of a company that has been subject to) any legal or disciplinary action in Australia or elsewhere in the last ten years which is relevant or material to the performance of their role with the Company or which is relevant to an investor's decision as to whether to subscribe for Shares under the Offer.

No Director or Proposed Managing Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer or within a 12-month period after they ceased to be an officer.

8.5 Remuneration and interests in Shares

Given that the Company was incorporated on 1 April 2022, the Directors did not receive any remuneration for the financial year ended 30 June 2022. The Directors and the Proposed Managing Director will receive remuneration for the current financial year as set out in the table below.

Director	Remuneration for the year ended 30 June 2022 ¹	Proposed remuneration for year ending 30 June 2023 ²
Christopher Swallow	Nil	\$166,667
Paul Roberts	Nil	\$53,333
Dr Barry Murphy	Nil	\$33,333

Notes:

1. The Company was incorporated on 1 April 2022.
2. Includes per annum base salary or directors' fees (as applicable), pro-rated for 8 months (assuming an Admission date of 1 November 2022).

Interests in Securities

As at the date of this Prospectus

Directors are not required under the Company's Constitution to hold any Shares to be eligible to act as a director. As at the date of this Prospectus, the Directors and the Proposed Managing Director have relevant interests in Shares as follows:

Director	Shares	Options	Performance Rights	Percentage (%)	
				Undiluted	Fully Diluted
Christopher Swallow ¹	2,700,000	4,050,000	Nil	8.3%	10.1%
Paul Roberts ²	5,000,000	7,500,000	Nil	15.3%	18.8%
Dr Barry Murphy ³	3,000,000	4,500,000	Nil	9.2%	11.3%

Notes:

1. 2,700,000 Shares and 4,050,000 Options held by a nominee on behalf of Leonie Swallow ATF the Chris and Leonie Swallow Family Trust (a trust which Christopher Swallow is a beneficiary of).

2. 5,000,000 Shares and 7,500,000 Options held by a nominee on behalf of Paul Anthony Roberts & Esperanza Angelica Gutierrez Bejarano ATF Wireless Hill Trust (a trust which Paul Roberts is a beneficiary of).
3. 3,000,000 Shares and 4,500,000 Options held by a nominee on behalf of Fractore Pty Ltd ATF the Ardgillan Estate Super Fund (a trust which Dr Barry Murphy is a beneficiary of).

Post-completion of the Offer – Minimum Subscription

Director	Shares	Options	Performance Rights	Percentage (%)	
				Minimum Subscription	
				Undiluted	Fully Diluted
Christopher Swallow ¹	2,700,000	4,050,000	1,140,000	3.4%	6.7%
Paul Roberts ²	5,000,000	7,500,000	Nil	6.3%	10.7%
Dr Barry Murphy ³	3,000,000	4,500,000	Nil	3.8%	6.4%

Notes:

1. 2,700,000 Shares and 4,050,000 Options held by a nominee on behalf of Leonie Swallow ATF the Chris and Leonie Swallow Family Trust (a trust which Christopher Swallow is a beneficiary of). 1,140,000 Performance Rights (comprising 570,000 Class A Performance Rights and 570,000 Class B Performance Rights) are to be issued to Christopher Swallow under the Management Offer.
2. 5,000,000 Shares and 7,500,000 Options held by a nominee on behalf of Paul Anthony Roberts & Esperanza Angelica Gutierrez Bejarano ATF Wireless Hill Trust (a trust which Paul Roberts is a beneficiary of).
3. 3,000,000 Shares and 4,500,000 Options held by a nominee on behalf of Fractore Pty Ltd ATF the Ardgillan Estate Super Fund (a trust which Dr Barry Murphy is a beneficiary of).

Post completion of the Offer – Maximum Subscription

Director	Shares	Options	Performance Rights	Percentage (%)	
				Maximum Subscription	
				Undiluted	Fully Diluted
Christopher Swallow ¹	2,700,000	4,050,000	3,000,000	2.7%	6.8%
Paul Roberts ²	5,000,000	7,500,000	Nil	5.0%	8.8%
Dr Barry Murphy ³	3,000,000	4,500,000	Nil	3.0%	5.3%

Notes:

1. 2,700,000 Shares and 4,050,000 Options held by a nominee on behalf of Leonie Swallow ATF the Chris and Leonie Swallow Family Trust (a trust which Christopher Swallow is a beneficiary of). 3,000,000 Performance Rights (comprising 1,500,000 Class A Performance Rights and 1,500,000 Class B Performance Rights) are to be issued to Christopher Swallow under the Management Offer.
2. 5,000,000 Shares and 7,500,000 Options held by a nominee on behalf of Paul Anthony Roberts & Esperanza Angelica Gutierrez Bejarano ATF Wireless Hill Trust (a trust which Paul Roberts is a beneficiary of).
3. 3,000,000 Shares and 4,500,000 Options held by a nominee on behalf of Fractore Pty Ltd ATF the Ardgillan Estate Super Fund (a trust which Dr Barry Murphy is a beneficiary of).

The Constitution provides that the remuneration of non-executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The aggregate remuneration for non-executive Directors is \$150,000 per annum although may be varied by ordinary resolution of the Shareholders in general meeting.

The remuneration of any executive Director that may be appointed to the Board will be fixed by the Board and may be paid by way of fixed salary or consultancy fee. In addition, the Directors (and their associates) may apply for Shares under the Offer. If one or more of the Directors (or their spouses or associates) do apply for, and are allocated, Shares under the Offer, the figures in the above table will be affected.

The Company will notify ASX of the Directors' interests in the Shares of the Company at the time of Admission in accordance with the ASX Listing Rules.

8.6 Agreements with Directors and related parties

The Company notes that it has entered into the following agreements involving related parties of the Company:

(a) Strategic Project Generation Agreement

Background

The Company has entered into an agreement with Tier 1 pursuant to which Tier 1 will provide exploration project targeting services to the Company. Tier 1 is a related party of the Company by virtue of being controlled by Directors Mr Paul Roberts and Dr Barry Murphy.

Disclosure of related party interest

Both Mr Paul Roberts and Dr Barry Murphy are directors of Tier 1.

Relevant interest

Mr Roberts and Esperanza Gutierrez (Mr Roberts' spouse) hold a direct interest of 50% in Tier 1.

Fractore Pty Ltd (of which Dr Murphy holds a 100% interest) holds an indirect interest of 50% in Tier 1.

Company's management of risk

In the future there may arise circumstances in relation to the Strategic Project Generation Agreement, which place Mr Roberts and Dr Murphy in a position of conflict. In these circumstances, Mr Roberts and Dr Murphy would need to abstain from deliberations. The Company has in place protocols to manage conflicts of interest.

Decision making protocol

In terms of the decision making process to be followed by the Company in respect of matters involving Tier 1 (for example the obligations under or amendments to the Strategic Project Generation Agreement), the process will be as follows:

- (i) Mr Roberts and Dr Murphy will each disclose their material personal interest in Tier 1 matter to the Board in accordance with section 191 of the Corporations Act;
- (ii) details of the interest will be recorded by the Company Secretary (Mr Tony Tomba) in minutes of the meeting, along with a description of the background to the transaction and record as to whether or not there is a sufficient quorum of non-interested Directors;
- (iii) Mr Roberts and Dr Murphy will not be present whilst the matter is being considered at the meeting, or vote on the matter (the Board acknowledges that this prohibition extends to resolutions made without a meeting) and this too will be recorded in the minutes of the meeting;
- (iv) where the matter involves the giving of a financial benefit to Tier 1 (which is a related party by virtue of being an entity controlled by Mr Roberts and Dr Murphy), the independent directors must demonstrate that Chapter 2E of the Corporations Act has been considered by the independent directors (in particular, sections 208 and 210 to 216 of the Act) and that an exception to the requirement to obtain the Shareholder approval applies i.e. the giving of the benefit to the related party is on arm's length terms (and that the availability of the exception has been independently verified) and this will also be recorded in the minutes; and
- (v) if there is an insufficient number of independent Directors to form a quorum at the Board meeting, or the Directors are not able to determine that an exception to the requirement to obtain the approval of Shareholders applies under Chapter 2E of the Corporations Act, the matter will be put to Shareholders in accordance with section 195(4) of the Corporations Act (and this too will be disclosed in the minutes of the meeting).

(b) **Other related party agreements**

In addition to the Strategic Project Generation Agreement, the Company has also entered into the following agreements involving related parties:

- (i) an executive services agreement with Mr Christopher Swallow pursuant to which he has been appointed as Proposed Managing Director;
- (ii) Non-Executive Director appointment letters with each of Mr Paul Roberts and Dr Barry Murphy; and
- (iii) Deeds of Indemnity, Insurance and Access with each of its Directors and Company Secretary.

The agreements between the Company and related parties are summarised in Section 9.3 of the Prospectus.

8.7 Corporate governance

(a) **ASX Corporate Governance Council Principles and Recommendations**

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted *The Corporate Governance Principles and Recommendations (4th Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website www.desotoresources.com.

(b) **Board of Directors**

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (i) maintain and increase Shareholder value;
- (ii) ensure a prudential and ethical basis for the Company's conduct and activities consistent with the Company's stated values; and
- (iii) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (i) leading and setting the strategic direction, values and objectives of the Company;
- (ii) appointing the Chairperson of the Board, Managing Director or Chief Executive Officer and approving the appointment of senior executives and the Company Secretary;
- (iii) overseeing the implementation of the Company's strategic objectives, values, code of conduct and performance generally;
- (iv) approving operating budgets, major capital expenditure and significant acquisitions and divestitures;

- (v) overseeing the integrity of the Company's accounting and corporate reporting systems, including any external audit (satisfying itself financial statements released to the market fairly and accurately reflect the Company's financial position and performance);
- (vi) establishing procedures for verifying the integrity of those periodic reports which are not audited or reviewed by an external auditor, to ensure that each periodic report is materially accurate, balanced and provides investors with appropriate information to make informed investment decisions;
- (vii) overseeing the Company's procedures and processes for making timely and balanced disclosure of all material information that a reasonable person would expect to have a material effect on the price or value of the Company's Shares;
- (viii) reviewing, ratifying and monitoring the effectiveness of the Company's risk management framework, corporate governance policies and systems designed to ensure legal compliance; and
- (ix) approving the Company's remuneration framework.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

(c) **Composition of the Board**

Election of Board members is substantially the province of the Shareholders in general meeting, subject to the following:

- (i) membership of the Board of Directors will be reviewed regularly to ensure the mix of skills and expertise is appropriate; and
- (ii) the composition of the Board has been structured so as to provide the Company with an adequate mix of directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent Shareholders and fulfil the business objectives and values of the Company as well as to deal with new and emerging business and governance issues.

Upon admission to the Official List of the ASX, the Board will consist of three Directors (one executive Director and two non-executive Directors) of whom Mr Paul Roberts and Dr Barry Murphy are considered independent. The Board considers the current balance of skills and expertise to be appropriate given the Company's size and its currently planned level of activity.

To assist in evaluating the appropriateness of the Board's mix of qualifications, experience and expertise, the Board intends to maintain a Board Skills Matrix to ensure that the Board has the skills to discharge its obligations effectively and to add value.

The Board undertakes appropriate checks before appointing a person as a Director or putting forward to Shareholders a candidate for election as a Director or senior executive.

The Board ensures that Shareholders are provided with all material information in the Board's possession relevant to a decision on whether or not to elect or re-elect a Director.

The Company shall develop and implement a formal induction program for Directors, which is tailored to their existing skills, knowledge and experience. The purpose of this program is to allow new directors to participate fully and actively in Board decision-making at the earliest opportunity, and to enable new directors to gain an understanding of the Company's policies and procedures.

The Board maintains oversight and responsibility for the Company's continual monitoring of its diversity practices. The Company's Diversity Policy provides a framework for the Company to achieve enhanced recruitment practices whereby the best person for the job is employed, which requires the consideration of a broad and diverse pool of talent.

(d) **Identification and management of risk**

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

(e) **Ethical standards**

The Board is committed to the establishment and maintenance of appropriate ethical standards and to conducting all of the Company's business activities fairly, honestly with integrity, and in compliance with all applicable laws, rules and regulations. In particular, the Company and the Board are committed to preventing any form of bribery or corruption and to upholding all laws relevant to these issues as set out in the Company's Anti-Bribery and Anti-Corruption Policy. In addition, the Company encourages reporting of actual and suspected violations of the Company's Code of Conduct or other instances of illegal, unethical or improper conduct. The Company and the Board provide effective protection from victimisation or dismissal to those reporting such conduct as set out in its Whistleblower Protection Policy.

(f) **Independent professional advice**

Subject to the Chairperson's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

(g) **Remuneration arrangements**

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

In accordance with the Constitution, the total maximum remuneration of non-executive Directors is initially set by the Board and subsequent variation is by ordinary resolution of Shareholders in general meeting in

accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$150,000 per annum.

In addition, a Director may be paid fees or other amounts for example, and subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having regard to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

(h) **Trading policy**

The Board has adopted a policy that sets out the guidelines on the sale and purchase of Shares in the Company by its key management personnel (i.e., Directors and, if applicable, any employees reporting directly to the managing director). The policy generally provides that, the written acknowledgement of the Chairperson (or the Board in the case of the Chairperson) must be obtained prior to trading.

(i) **External audit**

The Company in general meetings is responsible for the appointment of the external auditors of the Company. From time to time, the Board will review the scope, performance and fees of those external auditors.

(j) **Audit committee**

The Company will not have a separate audit committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to:

- (i) monitoring and reviewing any matters of significance affecting financial reporting and compliance;
- (ii) verifying the integrity of those periodic reports which are not audited or reviewed by an external auditor;

- (iii) monitoring and reviewing the Company's internal audit and financial control system, risk management systems; and
- (iv) management of the Company's relationships with external auditors.

(k) **Diversity policy**

The Company is committed to workplace diversity. The Company is committed to inclusion at all levels of the organisation, regardless of gender, marital or family status, sexual orientation, gender identity, age, disabilities, ethnicity, religious beliefs, cultural background, socio-economic background, perspective and experience.

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

(l) **Departures from Recommendations**

Under the ASX Listing Rules the Company will be required to provide a statement in its annual financial report or on its website disclosing the extent to which it has followed the Recommendations during each reporting period. Where the Company has not followed a Recommendation, it must identify the Recommendation that has not been followed and give reasons for not following it.

The Company's compliance with and departures from the Recommendations will also be announced prior to Admission.

8.8 **Environmental, Social and Governance (ESG)**

The Company is committed to building legitimate Environmental, Social, and Governance (**ESG**) credentials. We are intending to commence ESG reporting as a tangible first step in our ESG journey.

We greatly value ESG considerations as they enable us to better identify material risks and growth potential, leading to better-informed decisions and business outcomes. Equally, our commitment to ESG creates a consistent and measurable approach that helps us contribute to building a more prosperous and fulfilled society and a more sustainable relationship with our planet.

9. MATERIAL CONTRACTS

9.1 Capital raising agreements

9.1.1 Lead Manager Mandate

The Company has signed a mandate letter to engage PAC Partners Securities Pty Ltd, supported by DealAccess Pty Ltd, to act as lead manager of the Offer (**Lead Manager Mandate**). The material terms and conditions of which are summarised below:

Fees	As consideration for its services, the Company agreed to pay the Lead Manager: (a) (Management Fee) : a fee of 2% of the total proceeds raised under the Offer; (b) (Selling Fee) : a fee of 4% of the funds raised by the Lead Manager under the Offer; and (c) (Lead Manager Shares) : (i) 2,300,000 Shares, on the basis that the Minimum Subscription is raised; or (ii) 3,500,000 Shares, on the basis that the Maximum Subscription is raised.
Reimbursement of Expenses	The Company will reimburse the Lead Manager for all reasonable out-of-pocket and travel expenses incurred by the Lead Manager in connection with the Offer and the performance by the Lead Manager of its role under the Lead Manager Mandate, to be agreed in advance for expenses exceeding \$2,000.
Termination Events	The Lead Manager Mandate may be terminated by either party upon seven (7) days' written notice to the other party.
Right of First Refusal	Subject to the successful completion of the Offer, the Company agreed to offer the Lead Manager the first right of refusal to be appointed as lead manager in further equity capital financing within 12 months of completion of the Offer.

The Lead Manager Mandate otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

9.2 Bacchus Tenement Purchase Agreement

On 20 September 2022, the Company entered into a binding terms sheet with Bacchus Resources Pty Ltd (**Vendor**) pursuant to which the Company agreed to acquire three granted exploration licences (**Tenements**) (**Tenement Purchase Agreement**).

The material terms and conditions of the Tenement Purchase Agreement are summarised below:

Acquisition	The Vendor agrees to sell, and the Company agrees to acquire, 100% of its rights, title and interest in the Tenements and all associated mining information (Assets) (Acquisition).
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Consideration	<p>The Company agreed to issue the Vendor:</p> <ul style="list-style-type: none"> (a) 4,000,000 fully paid ordinary shares in the capital of the Buyer at a deemed issue price of \$0.20 per Share (Vendor Shares); and (b) 1,600,000 options, exercisable at \$0.35 on or before the date that is five (5) years from the date of issue (Vendor Options), <p>in consideration for the Acquisition (Consideration).</p> <p>The Consideration will be paid in full on completion of the Acquisition (Completion).</p>
Conditions Precedent	<p>Completion is subject to and conditional on the following conditions precedent being satisfied (or waived):</p> <ul style="list-style-type: none"> (a) (Due Diligence): completion of reasonable due diligence on the Assets by the Company, to the absolute satisfaction of the Company, within a period of 14 days from the date of execution of the Tenement Purchase Agreement (Execution Date); (b) (Regulatory approvals): the Company obtaining all regulatory approvals or waivers (as required) pursuant to the Listing Rules, Corporations Act or any other law in order to lawfully complete the Acquisition, in a form satisfactory to the Company (acting reasonably); (c) (ASX conditional approval): the Company having received a letter from ASX granting conditional approval for the admission of the Company to the Official List and those conditions being to the reasonable satisfaction of the Company; (d) (Capital raising): the Company completing the Offer and receiving valid applications of at least \$8,000,000 (before costs) worth of Shares under the Offer; (e) (Third party approvals): the parties obtaining all third party approvals and consents, including the consent of the Minister responsible for the <i>Mineral Titles Act 2010</i> (NT) (if required), necessary to lawfully complete the Acquisition; (f) the Vendor not materially breaching any of its warranties at, or prior to, Completion; and (g) the relevant party not being in material breach of its mutual warranties, <p>together, the Conditions Precedent.</p> <p>If the Conditions Precedent are not satisfied (or waived by the party with the benefit of the Condition Precedent) on or before 5:00pm (WST) on that date that is 6 months from the Execution Date (or such later date as agreed by the Parties in writing), then either party may, in its absolute discretion, terminate the Tenement Purchase Agreement by written notice to the other Party.</p>
Completion	<ul style="list-style-type: none"> (a) Completion will occur 5 Business Days after satisfaction or waiver of the last of the Conditions

	Precedent or such other date as agreed between the parties, each acting reasonably.
(b)	<p>At or prior to Completion, the Vendor must deliver or cause to be delivered to the Company:</p> <ul style="list-style-type: none"> (i) the mining information; (ii) all existing instruments of title relating to the Tenements; (iii) duly executed transfer documents for the Tenements in registrable form (but unstamped) under which a 100% legal interest in the Tenements is transferred from the Vendor to the Company; (iv) a duly executed power of attorney (Form 31) in registrable form and in favour of the Company sufficient to enable the Company to act on the Vendor's behalf in respect of each Tenement until the Company becomes the registered holder of each Tenement; (v) any necessary restriction agreements imposing restrictions on trading of the Consideration Shares as mandated by the ASX pursuant to the Listing Rules duly executed by the Vendor (or its nominee); (vi) an executed counterpart of any deeds of assignment and assumption in respect of any third party agreements signed by the Vendor and the applicable third party (if required); (vii) such other permits, registrations, licences and documents held by the Vendor as are necessary to enable the Company to exercise ownership rights in relation to the Tenements; (viii) evidence to the satisfaction of the Company of the removal of all encumbrances over the Tenements; and (ix) any other document or thing requested by the Company that is reasonably necessary to give full effect to the transfer to the Company of the Tenements.
(c)	<p>Subject to the Vendor complying with its obligations, at or prior to Completion, the Company must:</p> <ul style="list-style-type: none"> (i) allot and issue the Consideration to the Vendor (or its nominee) and deliver holding statements to the Vendor (or its nominee) for the Consideration; (ii) apply for (and must after Completion use its reasonable endeavours to obtain) quotation of the Consideration Shares on ASX; (iii) deliver to the Vendor an executed counterpart of any deeds of assignment and assumption in respect of any third party

	<p>agreements (if any) signed by the Vendor; and</p> <p>(iv) take any other action reasonably necessary to give full effect to the Acquisition.</p> <p>(d) The actions to take place under this clause are interdependent and must take place, as close as possible, simultaneously. If one action does not take place, then without prejudice to any rights available to any party as a consequence:</p> <p>(i) there is no obligation on any party to undertake or perform any of the other actions;</p> <p>(ii) to the extent that such actions have already been undertaken, the parties must do everything reasonably required to reverse those actions; and</p> <p>(iii) each party must return to the other all documents delivered to it under this clause and must each repay to the other all payments received by it under the Tenement Purchase Agreement, without prejudice to any other rights any party may have in respect of that failure.</p>
Post Completion Obligations	<p>(a) The Company will be responsible for any duty payable on or in relation to the Tenement Purchase Agreement and the transfer documents.</p> <p>(b) If the Minister's consent to the transfer of any of the Tenements has not been obtained at or prior to Completion (including if the Company waives the Condition Precedent) the Vendor:</p> <p>(i) must use reasonable endeavours to obtain the Minister's consent as soon as reasonably practicable following Completion; and</p> <p>(ii) shall hold the relevant Tenement on trust for the Company until such time as the Minister consents to the transfer or until the Vendor can transfer the Tenement without requiring ministerial consent.</p> <p>(c) Subject to any required consents or approvals to the transfer being obtained (if applicable), the Company must arrange for the transfer documents to be lodged (together with any necessary supporting documentations) for the registration of the transfers.</p> <p>(d) The Vendor must, on and from Completion and until such time as all Tenements are transferred into the Company's name:</p> <p>(i) promptly do all such things and provide such assistance as the Company reasonably requires, and at the Company's reasonable cost, to obtain any required consents and approvals under the Mining Act, other applicable law or as required by any</p>

	governmental authority to effect the Acquisition; and
(ii)	promptly provide the Company with copies of all correspondence received in connection with the Tenements.
(e)	From Completion, the Vendor:
(i)	irrevocably appoints the Company as its attorney to do all things necessary so that the Tenements can be transferred to the Company in the Company's name; and
(ii)	shall cause the Company to be appointed as the operator of the Tenements (including executing any instrument necessary and obtaining any relevant internal or external approvals).

The Tenement Purchase Agreement otherwise contains terms and conditions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

9.3 Agreements with Directors and Proposed Managing Director

9.3.1 Christopher Swallow – Executive Services Agreement

The Company has entered into an executive services agreement (as varied from time to time) with Mr Christopher Swallow, pursuant to which Mr Swallow has been appointed as the Proposed Managing Director of the Company (**Swallow ESA**). The material terms and conditions of the Swallow ESA are summarised below:

Term	Mr Swallow's employment will commence on the date on which the Company is admitted to the Official List of the ASX and will continue until validly terminated.
Remuneration	The Company will pay Mr Swallow an annual salary of \$250,000 (exclusive of superannuation).
Termination by Company	<p>Termination with Reason</p> <p>Mr Swallow's employment may be terminated:</p> <p>(a) by giving at least one (1) months' written notice if Mr Swallow:</p> <p>(i) is or becomes incapacitated and prevented from performing his duties for a period of two (2) consecutive months or any period aggregating two (2) months in a 12 month period during the Term; or</p> <p>(ii) is or becomes unsound of mind.</p> <p>(b) by giving one (1) months' written notice if Mr Swallow:</p> <p>(i) commits a serious or persistent breach of the Swallow ESA and the breach is not remedied within 14 days of receipt of written notice to do so;</p> <p>(ii) demonstrates incompetence or negligence in performance of his duties;</p>

	<ul style="list-style-type: none"> (iii) commits or becomes guilty of gross misconduct; or (iv) refuses, within 21 business days of receipt of notice to do so, to comply with any lawful reasonable direction given by the Company. <p>(c) without notice if Mr Swallow is convicted of a major criminal offence which brings the Company or its Related Bodies Corporate (as it is defined under the Corporations Act) into disrepute.</p> <p>Without Reason</p> <ul style="list-style-type: none"> (a) The Company may terminate Mr Swallow's employment by giving three (3) months' written notice and making a payment equal to his salary payable over the three-month period. (b) The Company may elect to pay Mr Swallow six (6) months' salary and dispense with the notice period.
Termination by Mr Swallow	<p>Mr Swallow's employment may be terminated:</p> <ul style="list-style-type: none"> (a) if the Company commits a serious or persistent breach of the Swallow ESA and the breach is not remedied within 28 days of receipt of written notice to do so; or (b) by giving three (3) months' written notice to the Company.

The Swallow ESA otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

9.3.2 Strategic Project Generation Agreement

Tier 1 Targeting Pty Ltd (ACN 660 734 529) (**Tier 1**) is an exploration project targeting company owned by Mr Paul Roberts and Dr Barry Murphy. The Company has entered into a strategic project generation agreement with Tier 1 pursuant to which Tier 1 will provide exploration targeting services to the Company (**Strategic Project Generation Agreement**). The material terms and conditions of the Strategic Project Generation Agreement are summarised below.

Term	The Strategic Project Generation Agreement commenced on 1 July 2022 and will continue until either Paul Roberts or Dr Barry Murphy cease to be an employee of the Company.
Remuneration	The Company agreed to pay Mr Paul Roberts and Dr Barry Murphy (or their nominee/s) an annual retainer of \$20,000 each.
Right of First Refusal	<p>If, while providing its services, Tier 1 identifies a new opportunity for the Company, including:</p> <ul style="list-style-type: none"> (a) a project area with granted titles; (b) a target area within a country for which the Company may apply for exploration tenure; or (c) an opportunity to fund project generation in an overseas country or countries for one or more

	<p>selected commodities based on a ground acquisition strategy developed by Tier 1, (each, a New Opportunity), Tier 1 must provide notice to the Company of the New Opportunity (Notice).</p> <p>The Company will have a period of 30 days commencing on the day on which the Notice is delivered to the Company to accept the New Opportunity.</p>
Consideration for the New Opportunity	<p>In consideration for a New Opportunity the Company will pay Tier 1 all direct costs incurred by Tier 1 in the course of identifying and evaluating the New Opportunity, up to the date on which Tier 1 provides the Company with the Notice, plus a 5% mark-up.</p>

The Strategic Project Generation Agreement otherwise contains provisions considered standard for an agreement of its nature (including confidentiality provisions).

9.3.3 Non-executive Director appointments

Mr Paul Roberts and Dr Barry Murphy have entered into appointment letters with the Company to act in the capacity of Non-executive Directors. These Directors will receive the remuneration and interests set out in Section 8.5.

9.3.4 Deeds of indemnity, insurance and access

The Company has entered into a deed of indemnity, insurance and access with its Directors, Proposed Managing Director and Company Secretary. Pursuant to each of these deeds, the Company has agreed to indemnify each officer, to the extent permitted by the Corporations Act against certain liabilities arising as a result of the officer acting as an officer of the Company. The Company will also required to maintain insurance policies for the benefit of the relevant officer and allow the officers to inspect board papers in certain circumstances.

10. ADDITIONAL INFORMATION

10.1 Litigation

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

10.2 Rights and liabilities attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to the Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company. The Company's constitution permits the use of technology at general meetings of shareholders (including wholly virtual meetings) to the extent permitted under the Corporations Act, Listing Rules and applicable law.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) **Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other Shares in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Shares contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

10.3 Terms and Conditions of Existing Options and Vendor Options

The terms and conditions of the Existing and Vendor Options to be issued as detailed in this Prospectus are set out below:

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

(i) **Existing Options:** Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.25 (**Exercise Price**).

(ii) **Vendor Options:** Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.35 (**Exercise Price**).

(c) **Expiry Date**

(i) **Existing Options:** Each Option will expire at 5:00 pm (WST) on 1 April 2027 (**Expiry Date**).

(ii) **Vendor Options:** Each Option will expire at 5:00pm (WST) on the date that is five (5) years from the date of issue.

An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Cashless exercise of Vendor Options**

The Optionholder may elect not to be required to provide payment of the Exercise Price for the number of Options specified in an Exercise Notice but that on exercise of those Options the Company will transfer or issue to the Optionholder that number of Shares equal in value to the

positive difference between the then Market Value of the Shares at the date of the Exercise Notice and the Exercise Price that would otherwise be payable to exercise those Options (with the number of Shares rounded down to the nearest whole Share).

Where **Market Value** means the volume weighted average price per Share traded on the ASX over the five (5) trading days immediately preceding the date of the Exercise Notice.

(i) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

10.4 Terms and Conditions of Performance Rights

The terms and conditions of the Performance Rights to be issued to Christopher Swallow, Bianca Manzi and Tony Tomba (**PR Recipients**) are set out below.

(a) **Vesting Conditions**

The Performance Rights are subject to the following Vesting Conditions and have the following Expiry Dates:

Class	Milestone	Expiry Date	Number of Performance Rights	
			Minimum Subscription	Maximum subscription
Class A	<p>Performance Rights will vest and become exercisable on the later of:</p> <ul style="list-style-type: none"> (i) the 12-month anniversary of the Company's IPO; and (ii) the Company's shares achieving a volume weighted average price per share of 25% greater than the Company's IPO subscription price, calculated over any 20 consecutive trading days on which the shares are recorded on ASX. 	On or before the date that is 5 years from the date of issue.	1,070,000	2,750,000
Class B	<p>Performance Rights will vest and become exercisable on the later of:</p> <ul style="list-style-type: none"> (i) the 24-month anniversary of the Company's IPO; and (ii) the Company's shares achieving a volume weighted average price per share of 50% greater than the Company's IPO subscription price, calculated over any 20 consecutive trading days on which the shares are recorded on ASX. 	On or before the date that is 5 years from the date of issue.	1,070,000	2,750,000
Class C	The Company achieving a JORC compliant inferred mineral resource estimate of 100,000 ounce gold, with a cut-off grade of 0.5g/t.	On or before the date that is 5 years from the date of issue.	305,000	650,000
Class D	The Company achieving a JORC compliant inferred mineral resource estimate of 250,000 ounce gold, with a cut-off grade of 0.5g/t.	On or before the date that is 5 years from the date of issue.	152,500	325,000
Class E	The Company achieving a JORC compliant inferred mineral resource estimate of 500,000 ounce gold, with a cut-off grade of 0.5g/t.	On or before the date that is 5 years from the date of issue.	152,500	325,000

Class	Milestone	Expiry Date	Number of Performance Rights	
			Minimum Subscription	Maximum subscription
TOTAL			2,750,000	6,800,000

(b) **Notification to holder**

The Company shall notify the holder in writing when the Performance Milestone has been satisfied.

(c) **Conversion**

Subject to paragraph (m), upon vesting, each Performance Right will, at the election of the holder, within three (3) months of vesting, convert into one (1) Share.

(d) **Share ranking**

All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.

(e) **Application to ASX**

The Performance Rights will not be quoted on ASX. The Company must apply for the official quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules.

(f) **Transfer of Performance Rights**

The Performance Rights are not transferable.

(g) **Lapse of a Performance Right**

If the Milestone attached to the relevant Performance Right has not been satisfied within the time period set out in paragraph (a), the relevant Performance Rights will automatically lapse.

(h) **Participation in new issues**

A Performance Right does not entitle a holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

(i) **Reorganisation of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a holder will be changed in a manner consistent with the applicable ASX Listing Rules and the Corporations Act at the time of reorganisation.

(j) **Adjustment for bonus issue**

If the Company makes a bonus issue of Shares or other Shares to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of Shares or other Shares which must be issued on the conversion of a Performance Right will be

increased by the number of Shares or other Shares which the holder would have received if the holder had converted the Performance Right before the record date for the bonus issue.

(k) **Dividend and Voting Rights**

The Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.

(l) **Change in Control**

Subject to paragraph (m), upon:

- (i) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:
 - (A) having received acceptances for not less than 50.1% of the Company's Shares on issue; and
 - (B) having been declared unconditional by the bidder.
- (ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies,

then, to the extent Performance Rights have not converted into Shares due to satisfaction of the Milestone, Performance Rights will accelerate vesting conditions and will automatically convert into Shares on a one-for-one basis.

(m) **Deferral of conversion if resulting in a prohibited acquisition of Shares**

If the conversion of a Performance Right under paragraph (c) or (l) would result in any person being in contravention of section 606(1) of the *Corporations Act 2001* (Cth) (**General Prohibition**) then the conversion of that Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:

- (i) holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition; and
- (ii) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph (m)(i) within seven days if the Company considers that the conversion of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.

(n) **No rights to return of capital**

A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(o) **Rights on winding up**

A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.

(p) **Amendments required by ASX**

The terms of the Performance Rights may be amended as necessary by the board of Directors in order to comply with the ASX Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the ASX Listing Rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.

(q) **No other rights**

A Performance Right gives the holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

(r) **Subdivision 83AC-C**

Subdivision 83A-C of the *Income Tax Assessment Act 1997* applies to the Performance Rights.

(s) **Ceasing to be engaged by the Company**

Unless otherwise agreed between the holder and the Company, if a holder's services agreement or appointment letter with the Company is terminated, or the holder ceases to provide services to the Company, for any reason, the holder will continue to have legal ownership of all Performance Rights that remain unvested from the date of termination (or ceasing of provision of services) until the expiry date of the relevant Performance Right.

10.5 Additional information regarding Performance Rights

The Company proposes to issue the Performance Rights to the Proposed Managing Director (Mr Christopher Swallow), Company Secretary (Mr Tony Tomba) and Exploration Manager (Ms Bianca Manzi) (or their nominees) (together, the **PR Recipients**) pursuant to the Management Offer. The Company has obtained ASX approval for the terms of the Performance Rights under ASX Listing Rule 6.1.

The following additional information is provided in respect of the Performance Rights:

- (a) the Performance Rights are proposed to be issued to the PR Recipients on the terms and conditions set out in Section 10.4;
- (b) the Performance Rights are to be issued to the PR Recipients as part of their remuneration package, in order to link part of the remuneration payable to the PR Recipients to specific performance milestones (set out

in Section 10.4) and to align the goals of the PR Recipients with Shareholders. As such, the Performance Rights are not ordinary course of business remuneration securities;

(c) the Company considers that the PR Recipients will play a significant role in meeting the milestones attaching to the Performance Rights. The PR Recipients will play the following roles in meeting the milestones:

(i) Mr Swallow's role includes:

- (A) managing the business of the Company including implementing strategic and tactical plans and managing operational functions to achieve the Company's goals and outcomes;
- (B) using his best endeavours to achieve the corporate objectives of the Company;
- (C) formulating strategies to promote and improve the financial performance of the Company; and
- (D) developing new opportunities and expanding the Company's current activities and market share;

(ii) Mr Tomba's role includes:

- (A) providing the Company with general company secretarial advice;
- (B) assisting with the development, implementation, and maintenance of the Company's corporate governance policies and frameworks;
- (C) assisting with any capital raising, merger, acquisition, joint venture, disposal or any other corporate transaction of the Company which requires specialist company secretarial involvement;
- (D) liaising with shareholders and attending to shareholder and investor queries in relation to company secretarial matters; and
- (E) using his best endeavours to achieve the corporate objectives of the Company;

(iii) Ms Manzi's role includes:

- (A) identifying potential projects, conducting preliminary surveys and analysis of mineral deposits and making recommendations on potential acquisitions and conducting initial due diligence;
- (B) managing and supervising all exploration activities carried out on the Company's projects and reporting directly to the Board of Directors;

- (C) implementing strategic and tactical plans and managing operational functions to achieve the Company's exploration goals and outcomes;
 - (D) tracking costs of exploration programs to meet expenditure commitments; and
 - (E) preparing and supervising the production of geological reports, programs and data to present to the Board of Directors;
- (d) details of the existing total remuneration package of Mr Swallow is set out in Section 8.5. Details of the existing total remuneration package of Mr Tomba and Ms Manzi is set out below:

PR Recipient	Remuneration for the year ended 30 June 2021	Remuneration for the year ended 30 June 2022	Proposed remuneration for year ending 30 June 2023
Tony Tomba	\$Nil	\$45,000 ¹	\$123,000
Bianca Manzi	\$Nil	\$13,333 ¹	\$80,000

Notes:

1. Pro rata based on employment start date and due to the Company being incorporated on 1 April 2022.
- (e) details of the security holdings of Mr Swallow assuming completion of the Offer) are set out in Section 8.5. Details of the security holdings of Mr Tomba and Ms Manzi assuming completion of the Offer) are set out below:

Recipient	Shares	Options	Number of Performance Rights	
			Minimum Subscription	Maximum Subscription
Tony Tomba ¹	750,000	1,125,000	500,000 Class A 500,000 Class B	1,250,000 Class A 1,250,000 Class B
Bianca Manzi	625,000	937,500	305,000 Class C 152,500 Class D 152,500 Class E	650,000 Class C 325,000 Class D 325,000 Class E

Notes:

1. Held indirectly by GPT Super WA Pty Ltd ATF GPT Super Fund.
- (f) the Company considers it necessary and appropriate to further remunerate and incentivise the PR Recipients to achieve the applicable performance milestones for the following reasons:
- (i) the issue of Performance Rights to the PR Recipients will further align the interests of the PR Recipients with those of Shareholders;

- (ii) the Performance Rights are unlisted therefore, the grant of the Performance Rights has no immediate dilutionary impact on Shareholders;
 - (iii) the issue of the Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the PR Recipients; and
 - (iv) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Performance Rights on the terms proposed;
- (g) the number of Performance Rights to be issued to the PR Recipients has been determined based upon a consideration of:
- (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
 - (ii) the remuneration of the PR Recipients; and
 - (iii) incentives to attract and retain the service of the PR Recipients, who have the appropriate knowledge and expertise, while maintaining the Company's cash reserves.

In addition to the above, regard was also had to the principles and guidance articulated in ASX Guidance Note 19 with respect to the issue of performance linked securities. The Board considers the number of Performance Rights to be appropriate and equitable for the following reasons:

- (a) the Performance Rights are consistent with ASX's policy regarding the base requirements for performance securities, which are detailed in section 9 of ASX Guidance Note 19;
- (b) the number of Shares into which the Performance Rights will convert if the milestones are achieved is fixed (one for one) which allows investors and analysts to readily understand and have reasonable certainty as to the impact on the Company's capital structure if the milestones are achieved. The maximum number of Shares which may be issued if the Performance Rights are converted into Shares (following satisfaction of the milestones) is 2,750,000 (assuming the Minimum Subscription is raised under the Offer) and 6,800,000 Shares (assuming the Maximum Subscription is raised under the Offer) (refer to paragraph (e) below for further detail regarding the dilutive effect);
- (c) there is an appropriate link between the milestones and the purposes for which the Performance Rights are being issued and the conversion milestones are clearly articulated by reference to objective criteria;
- (d) there is an appropriate link to the benefit of Shareholders and the Company at large through the achievement of the milestones, which have been constructed so that satisfaction of the milestones will be consistent with increases in the value of Company's business;

- (e) the Performance Rights which are proposed to be issued represent a small proportion of the Company's issued capital upon listing, representing approximately 3.48% in aggregate on an undiluted basis and 2.34% on a fully diluted basis (assuming the Minimum Subscription is raised under the Offer), and 6.79% in aggregate on an undiluted basis and 4.77% on a fully diluted basis (assuming the Maximum Subscription is raised under the Offer);
- (f) the milestones for the Performance Rights are clearly articulated by reference to objective criteria which allows investors and analysts to readily understand and have reasonable certainty as to the circumstances in which the milestones will be taken to have been met;
- (g) the Performance Rights are being issued to the PR Recipients to incentivise the PR Recipients to act in accordance with the Company's strategy following completion of the Offer; and
- (h) the Performance Rights have an expiry date by which the milestones are to be achieved and, if the milestones are not achieved by that date, the Performance Rights will lapse.

10.6 Incentive Plan

The Company has adopted an Employee Incentive Securities Plan (**Plan**) to allow eligible participants to be granted Performance Rights in the Company. A summary of the material terms of the Plan are set out below:

Eligible Participant	Eligible Participant means a person that is a 'primary participant' (as that term is defined in Division 1A of Part 7.12 of the Corporations Act) in relation to the Company or an Associated Body Corporate (as defined in the Corporations Act) and has been determined by the Board to be eligible to participate in the Plan from time to time.
Purpose	The purpose of the Plan is to: <ul style="list-style-type: none"> (a) assist in the reward, retention and motivation of Eligible Participants; (b) link the reward of Eligible Participants to Shareholder value creation; and (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of plan shares, options, performance rights and other convertible securities (Securities).
Plan administration	The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion (except to the extent that it prevents the Participant relying on the deferred tax concessions under Subdivision 83A-C of the <i>Income Tax Assessment Act 1997</i> (Cth)). The Board may delegate its powers and discretion.

Eligibility, invitation and application	<p>The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for any (or any combination of) the Securities provided under the Plan on such terms and conditions as the Board decides.</p> <p>On receipt of an invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.</p> <p>If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.</p>
Grant of Securities	<p>The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number and type of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.</p>
Rights attaching to Convertible Securities	<p>A Convertible Security represents a right to acquire one or more Plan Shares in accordance with the Plan (for example, an Option or a Performance Right).</p> <p>Prior to a Convertible Security being exercised, the holder:</p> <ul style="list-style-type: none"> (a) does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security other than as expressly set out in the Plan; (a) is not entitled to receive notice of, vote at or attend a meeting of the shareholders of the Company; (b) is not entitled to receive any dividends declared by the Company; and (c) is not entitled to participate in any new issue of Shares (see Adjustment of Convertible Securities section below).
Vesting of Convertible Securities	<p>Any vesting conditions which must be satisfied before Convertible Securities can be exercised and converted to Shares will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.</p>
Exercise of Convertible Securities and cashless exercise	<p>To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see next paragraph below), pay the exercise price (if any) to or as directed by the Company, at any time following vesting of the Convertible Security (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice.</p>

	<p>An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.</p> <p>Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.</p> <p>A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.</p>
Timing of issue of Shares and quotation of Shares on exercise	<p>As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.</p>
Restrictions on dealing with Convertible Securities	<p>A holder may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them unless otherwise determined by the Board. A holder must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.</p> <p>However, in Special Circumstances, as defined under the Plan, (including in the case of death or total or permanent disability of the Participant) a Participant may deal with Convertible Securities granted to them under the Plan with the consent of the Board.</p>
Listing of Convertible Securities	<p>A Convertible Security granted under the Plan will not be quoted on the ASX or any other recognised exchange. The Board reserves the right in its absolute discretion to apply for quotation of an Option granted under the Plan on the ASX or any other recognised exchange.</p>
Forfeiture of Convertible Securities	<p>Convertible Securities will be forfeited in the following circumstances:</p> <ul style="list-style-type: none"> (a) where a Participant who holds Convertible Securities ceases to be an Eligible Participant (e.g. is no longer employed or their office or engagement is discontinued with the Group), all unvested Convertible Securities will automatically be forfeited by the Participant; (b) where a Participant acts fraudulently or dishonestly, negligently, in contravention of any Group policy or wilfully breaches their duties to the Group; (c) where there is a failure to satisfy the vesting conditions in accordance with the Plan; (d) on the date the Participant becomes insolvent; or

	(e) on the expiry date.
Change of control	If a change of control event occurs, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the holder's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the holder to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
Adjustment of Convertible Securities	<p>If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.</p> <p>If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an issue of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.</p> <p>Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.</p>
Plan Shares	<p>The Board may, from time to time, make an invitation to an Eligible Participant to acquire Plan Shares under the Plan. The Board will determine in its sole and absolute discretion the acquisition price (if any) for each Plan Share which may be nil. The Plan Shares may be subject to performance hurdles and/or vesting conditions as determined by the Board.</p> <p>Where Plan Shares granted to a Participant are subject to performance hurdles and/or vesting conditions, the Participant's Plan Shares will be subject to certain restrictions until the applicable performance hurdles and/or vesting conditions (if any) have been satisfied, waived by the Board or are deemed to have been satisfied under the rules of the Plan.</p>
Rights attaching to Plan Shares	All Shares issued or transferred under the Plan or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (Plan Shares) will rank equally in all respects with the Shares of the same class for the time being on issue except for any rights attaching to the Shares by reference to a record date prior to the date of the allotment or transfer of the Plan Shares. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.

Disposal restrictions on Plan Shares	<p>If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.</p> <p>For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:</p> <ul style="list-style-type: none"> (a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.
General Restrictions on Transfer of Plan Shares	<p>If the Company is required but is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Plan Shares issued under the Plan (including on exercise of Convertible Securities) may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Act.</p> <p>Restrictions are imposed by applicable law on dealing in Shares by persons who possess material information likely to affect the value of the Shares and which is not generally available. These laws may restrict the acquisition or disposal of Shares by you during the time the holder has such information.</p> <p>Any Plan Shares issued to a holder under the Plan (including upon exercise of Convertible Securities) shall be subject to the terms of the Company's Securities Trading Policy.</p>
Buy-Back	<p>Subject to applicable law, the Company may at any time buy-back Securities in accordance with the terms of the Plan.</p>
Employee Share Trust	<p>The Board may in its sole and absolute discretion use an employee share trust or other mechanism for the purposes of holding Convertible Securities for holders under the Plan and delivering Shares on behalf of holders upon exercise of Convertible Securities.</p>
Maximum number of Securities	<p>The Company will not make an invitation under the Plan which involves monetary consideration if the number of Plan Shares that may be issued, or acquired upon exercise of Convertible Securities offered under an invitation, when aggregated with the number of Shares issued or that may be issued as a result of all invitations under the Plan during the 3 year period ending on the day of the invitation, will exceed 5% of the total number of issued Shares at the date of the invitation (unless the Constitution specifies a different percentage and subject to any limits approved by Shareholders under Listing Rule 7.2 Exception 13(b).</p>
Amendment of Plan	<p>Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.</p>

	No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.
Plan duration	<p>The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.</p> <p>If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.</p>
Income Tax Assessment Act	The Plan is a plan to which Subdivision 83A-C of the <i>Income Tax Assessment Act 1997</i> (Cth) applies (subject to the conditions in that Act) except to the extent an invitation provides otherwise.

10.7 Interests of Directors

Other than as set out in this Prospectus, no Director or Proposed Managing Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or Proposed Managing Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

10.8 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Snowden Optiro has acted as Independent Geologist and has prepared the Independent Technical Assessment Report which is included in Annexure A. The Company estimates it will pay Snowden Optiro a total of \$35,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Snowden Optiro has received \$22,170 in fees from the Company.

HLB Mann Judd has acted as Investigating Accountant and has prepared the Independent Limited Assurance Report which is included in Annexure C. The Company estimates it will pay HLB Mann Judd a total of \$12,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, HLB Mann Judd has received no other fees from the Company for such services.

HLB Mann Judd has been appointed to act as auditor to the Company. The Company estimates it will pay HLB Mann Judd a total of \$5,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, HLB Mann Judd has not received any fees from the Company for audit services.

PAC Partners Securities Pty Ltd, supported by DealAccess Pty Ltd have acted as the Lead Manager to the Offer and will receive those fees set out in Section 4.6 following the successful completion of the Offer for their services as Lead Manager to the Offer. The Lead Manager will be responsible for paying all capital raising fees that the Lead Manager and the Company agree with any other financial service licensees. Further details in respect to the Lead Manager Mandate with PAC Partners and DealAccess are summarised in Section 9.1.1. During the 24

months preceding lodgement of this Prospectus with the ASIC, the Lead Manager has not received fees from the Company for any other services.

Steinepreis Paganin has acted as the legal adviser to the Company in relation to the Offer and has prepared the Solicitor's Report on Tenements which is included in Annexure B. The Company estimates it will pay Steinepreis Paganin \$100,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates.

10.9 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares), the Directors, any underwriters, persons named in this Prospectus with their consent having made a statement in this Prospectus and persons involved in a contravention in relation to this Prospectus, with regard to misleading and deceptive statements made in this Prospectus. Although the Company bears primary responsibility for this Prospectus, the other parties involved in the preparation of this Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Snowden Optiro has given its written consent to being named as Independent Geologist in this Prospectus, and to the inclusion of the Independent Technical Assessment Report in Annexure A in the form and context in which the report is included.

HLB Mann Judd has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Independent Limited Assurance Report in Annexure C in the form and context in which the information and report is included.

HLB Mann Judd has given its written consent to being named as auditor of the Company in this Prospectus and the inclusion of the audited financial information of the Company contained in the Financial Information included in Section 6 of this Prospectus in the form and context in which the information is included.

Steinepreis Paganin has given its written consent to being named as the legal adviser to the Company in relation to the Offer in this Prospectus and the inclusion of the Solicitor's Report on Tenements in Annexure B in the form and context in which the report is included.

PAC Partners and DealAccess have given their written consent to being named as the Lead Manager to the Company in this Prospectus.

10.10 Expenses of the Offer

The total expenses of the Offer (excluding GST) are estimated to be approximately \$771,104 for Minimum Subscription or \$1,015,875 for Maximum Subscription and are expected to be applied towards the items set out in the table below:

Item of Expenditure	Minimum Subscription (\$)	Maximum Subscription (\$)
ASIC Fees	3,206	3,206
ASX Fees	95,898	100,669
Lead Manager Fees	480,000	720,000
Legal Fees	100,000	100,000
Independent Geologist's Fees	35,000	35,000
Investigating Accountant's Fees	12,000	12,000
Auditor's Fees	5,000	5,000
Printing and Distribution	10,000	10,000
Miscellaneous	30,000	30,000
TOTAL	771,104	1,015,875

11. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors and Proposed Managing Director.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Paul Roberts
Non-Executive Chairperson
For and on behalf of
DeSoto Resources Limited

12. GLOSSARY

Where the following terms are used in this Prospectus, they have the following meanings:

\$ means an Australian dollar.

Admission means the admission of the Company to the Official List.

AFSL means Australian Financial Services Licence.

Application Form means the application form attached to or accompanying this Prospectus (including an online application form) relating to the Offer.

ASIC means Australian Shares & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the official listing rules of ASX.

Board means the board of Directors as constituted from time to time.

Business Days means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement.

Closing Date means the closing date of the Offer as set out in the indicative timetable in the Key Offer Information Section (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

Company or **DeSoto** means DeSoto Resources Limited (ACN 658 510 242).

Conditions has the meaning set out in Section 4.7.

Constitution means the constitution of the Company.

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

Directors means the directors of the Company at the date of this Prospectus.

Exercise Period has the meaning given in Section 10.3.

Exercise Price has the meaning given in Section 10.3.

Expiry Date has the meaning given in Section 10.3.

Exposure Period means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act.

ILUA means indigenous land use agreement.

JORC Code has the meaning given in the Important Notice Section.

Lead Manager means PAC Partner Securities Pty Ltd (ACN 623 653 912), supported by DealAccess Pty Ltd (ACN 648 994 067) (Corporate Authorised Representatives of PAC Asset Management Pty Ltd (AFSL 335 374)).

Lead Manager Mandate means the agreement with the Lead Manager summarised in Section 9.1.1.

Lead Manager Offer has the meaning given in Section 4.12.

Management Offer has the meaning given in Section 4.12.

Maximum Subscription means the maximum amount to be raised under the Offer, being \$12,000,000.

Minimum Subscription means the minimum amount to be raised under the Offer, being \$8,000,000.

Offer means the offer of Shares pursuant to this Prospectus as set out in Section 4.1.

Offer Price means \$0.20 per Share.

Official List means the official list of ASX.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Performance Right means a performance right convertible into a Share.

Pine Creek Project means the exploration licences in which the Company has an interest as set out in Section 5.2 and further described in the Independent Technical Assessment Report at Annexure A and the Solicitor's Report on Tenements at Annexure B.

Prospectus means this prospectus.

Recommendations has the meaning set out in Section 8.7.

Secondary Offer means together the Lead Manager Offer, Management Offer and Vendor Offer.

Section means a section of this Prospectus.

Securities means Shares, Options and Performance Rights.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

Tenements means the mining tenements (including applications) in which the Company has an interest as set out in Sections 5.1, 5.2, and 5.3 and further described in the Independent Technical Assessment Report at Annexure A and the Solicitor's Report on Tenements at Annexure B or any one of them as the context requires.

Vendor Offer has the meaning given in Section 4.12.

WST means Western Standard Time as observed in Perth, Western Australia.

ANNEXURE A – INDEPENDENT TECHNICAL ASSESSMENT REPORT



**DeSoto Resources Limited
Independent Technical
Assessment Report
Project Number OP026884**

This report has been prepared by Datamine Australia Pty Ltd ('Snowden Optiro') for use by DeSoto Resources Limited, pursuant to an agreement between Snowden Optiro and DeSoto Resources Limited only and not for any other purpose.

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All rights in this document are reserved in accordance with the terms of the agreement between Snowden Optiro and DeSoto Resources Limited.

Prepared by: Justine Tracey
BSc (Hons), MSc, MAusIMM (CP)
Managing Consultant

Reviewed by: Christine Standing
BSc (Hons), MSc, MAusIMM, MAIG
Executive Consultant

Date of report: 29 September 2022

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OFFICE LOCATIONS

PERTH
BRISBANE
JOHANNESBURG
LONDON
ALMATY CITY
NEW DELHI
MOSCOW

LIMA
BELO HORIZONTE
DENVER
SANTIAGO
SUDBURY
JAKARTA

www.snowden Optiro.com
contact@snowden Optiro.com

Snowden Optiro is a business unit of the Datamine Software group.

29 September 2022

Tony Tomba
Company Secretary
DeSoto Resources Limited
Level 2, 10 Outram Street,
West Perth, WA, 6005

Dear Sir

Independent Technical Assessment Report

At the request of DeSoto Resources Limited (“DeSoto” or “the Company”), Snowden Optiro has prepared an Independent Technical Assessment Report (“Report”) on the mineral assets currently held, or to be acquired, by DeSoto. This Report has been prepared in accordance with the Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets, 2015 Edition (the VALMIN Code, 2015), the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2012) and additionally the Australian Securities and Investment Commission (ASIC) Regulatory Guides 111, 112 and 228.

This Report represents an independent assessment of the geology, exploration data and exploration potential of the various mineral assets held, or to be acquired, by DeSoto. It is our understanding that this Report will be included in a Prospectus to be published by the Company in connection with the proposed admission of the shares of the Company to trading on the Australian Securities Exchange (ASX). Snowden Optiro has been informed by DeSoto that the principal purpose of the offering is to raise funds to complete further exploration, including geophysical and geochemical surveys, geological mapping and the drilling of existing mineral anomalies and exploration targets, with the aim of defining Mineral Resources.

The mineral assets of DeSoto comprise the Pine Creek Project that includes six granted Exploration Licences (ELs) and three Exploration Licence Applications (ELAs). Three granted tenements and all applications are held by Mangusta Minerals Pty Ltd (Mangusta) which is a 100% subsidiary of DeSoto Resources Limited. The three remaining tenements were acquired from and are held by Bacchus Resources Pty Ltd and are pending transfer to Mangusta. The objectives of this Report are to provide an overview of the geological setting of the mineral assets and the associated mineralisation, outline the recent and historical exploration work undertaken over the Project areas and comment on the completed exploration work with regards to project prospectivity.

DeSoto has provided to Snowden Optiro the drilling and sampling data and other information generated by DeSoto, its subsidiaries and by previous owners of the mineral assets. Snowden Optiro has not completed a site inspection of the properties. The Project is at an early stage of assessment, and it was considered that a site visit would be unlikely to reveal any information or data that is material to this Report. The author has extensive experience with the Pine Creek area, having worked as a Resource Geologist and Mine Geology Manager at Cosmo-Howley and is satisfied that sufficient information was available to give an informed opinion.

Based on Snowden Optiro’s assessment of DeSoto’s mineral assets, it is our opinion that they are of value and contain exploration potential as presented. Snowden Optiro has considered the expenditure schedules, studies and exploration programmes outlined by DeSoto and considers them to be reasonable and appropriate to progress the Project. However, all exploration projects are subject to risks from unforeseen future issues and events beyond the control of the company; in this sense, DeSoto is no exception.

Consent has been sought from DeSoto and its representatives to include technical information and opinions expressed by DeSoto. No other entities referred to in this Report have consented to the inclusion of any information or opinions and have only been referred to in the context of reporting any relevant activities.

Snowden Optiro has prepared this Report on the understanding that the mineral assets held by DeSoto are currently in good legal standing and has not independently verified DeSoto's legal tenure over its tenements. Snowden Optiro is not qualified to make statements in this regard and has relied upon information provided by DeSoto. Snowden Optiro understands that DeSoto has engaged Steinepreis Paganin to review the tenement status and provide reports which are included elsewhere in DeSoto's Prospectus.

Snowden Optiro has endeavoured, by making reasonable enquiry of DeSoto, to ensure that all material information in the possession of DeSoto has been fully disclosed. However, Snowden Optiro has not carried out any type of audit of the records of DeSoto to verify that all material documentation has been provided. A final draft version of this Report was provided to the Directors of DeSoto, along with a request to confirm that there are no material errors or omissions in the Report and that the technical information and interpretations provided by them and reflected in the Report are factually accurate. Confirmation of these terms has been provided in writing and has been relied upon by Snowden Optiro. Snowden Optiro has based its findings upon information supplied up until 12 September 2022.

Snowden Optiro is an independent consulting and advisory organisation which provides a range of services related to the minerals industry including, in this case, independent geological services, but also resource evaluation, corporate advisory, mining engineering, mine design, scheduling, audit, due diligence and risk assessment assistance. Snowden Optiro declares that the author and reviewer of this Report have no material interest in DeSoto, their associated entities or in the assets described in this Report. Snowden Optiro has charged DeSoto a professional fee for services rendered, the quantum of which is unrelated to the outcome or the content of this Report.

Yours sincerely



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1 EXECUTIVE SUMMARY

1.1 Purpose

At the request of DeSoto Resources Limited (“DeSoto” or “the Company”), an Independent Technical Assessment Report (“Report”) on the mineral assets currently held, or to be acquired, by DeSoto has been prepared by Ms Justine Tracey (Managing Consultant) and was reviewed by Mrs Christine Standing (Executive Consultant), both of Snowden Optiro. This Report represents an independent assessment of the geology, exploration data and exploration potential of the various mineral assets. It is Snowden Optiro’s understanding that this Report will be included in the Prospectus to be published by the Company in connection with the proposed admission of the shares to trading on the Australian Securities Exchange (“ASX”). Snowden Optiro has been informed by DeSoto that the principal purpose of the offering is to raise funds to complete further exploration, including geophysical surveys, geochemical sampling, geological mapping and drilling of existing mineral anomalies and exploration targets, with the aim of defining Mineral Resources.

The mineral assets of DeSoto upon admission to trading on the ASX and acquisition of the mineral assets will comprise of the Pine Creek Project within Northern Territory.

1.2 Pine Creek Project

The DeSoto Pine Creek Project (‘Pine Creek’) is both a gold project with known gold mineralisation and a conceptual lithium pegmatite target. The Project comprises nine contiguous exploration licences and applications covering an area of 1,886 km². The Project is located in Northern Territory (NT), 150 km south of Darwin and 8 km north of Pine Creek.

The DeSoto Pine Creek Project is located in the western and central sections of the Central Domain of the Pine Creek Origin (PCO). In the western area the Cambrian Basin cover sequences comprise variable thicknesses of sandstone and shale, with minor limestone in the west and northeast. Paleoproterozoic rocks partly outcrop to the east; however, they are concealed at depth to the west where highly prospective Koolpin Formation of the South Alligator Group has been intersected in drilling below 30 to 200 m of Cambrian Daly Basin rocks. In the central section, Paleoproterozoic rocks of the South Alligator and Finniss River Group extensively outcrop and are variably intruded by granitoids of the Cullen Supersuite. The axis of the Pine Creek Shear Zone (PCSZ) runs through central section of the PCO.

1.3 Exploration and development potential

In Snowden Optiro’s opinion, DeSoto’s Pine Creek Project is of merit and worthy of further exploration. The planned work programmes are appropriate for the various development stages of the Project areas and will provide suitable data to assess the technical risks and the further exploration potential of the identified prospects.

2 INTRODUCTION AND TERMS OF REFERENCE

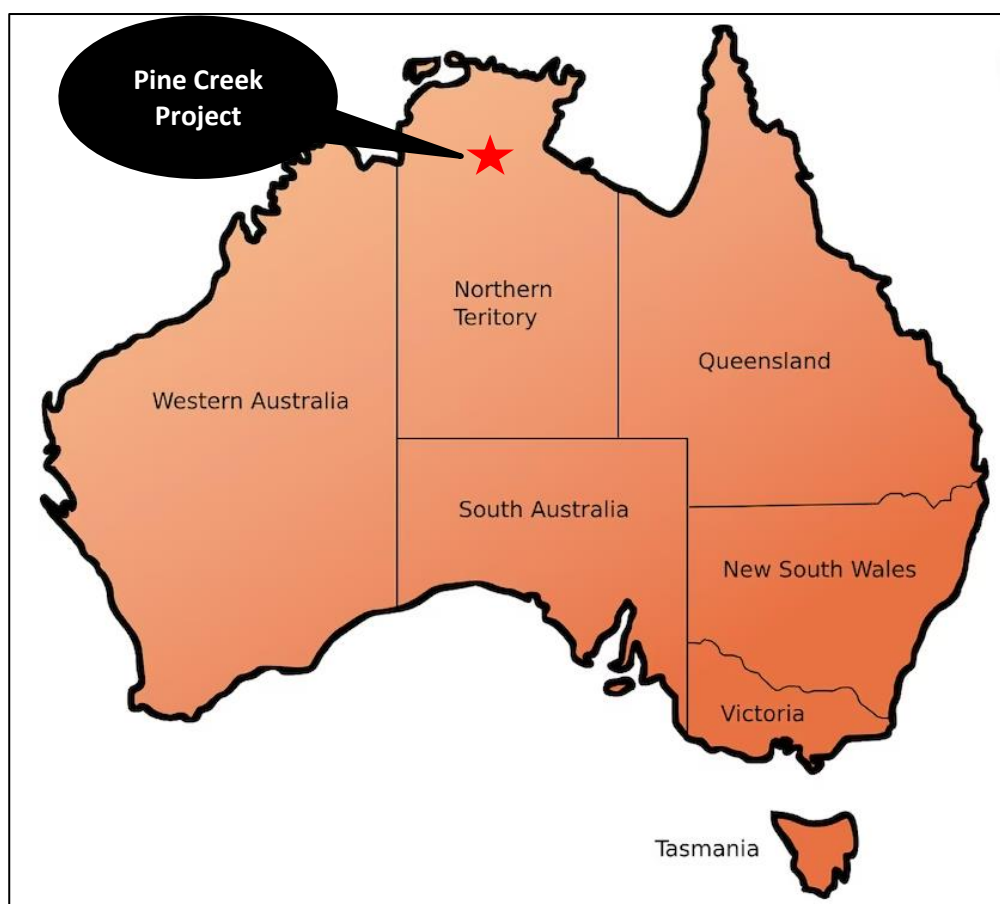
2.1 Terms of reference

At the request of DeSoto, an Independent Technical Assessment Report on the mineral assets currently held by DeSoto has been prepared by Snowden Optiro.

This Report represents an independent assessment of the geology, exploration data and exploration potential of the mineral assets held by DeSoto. It is Snowden Optiro's understanding that this Report will be included in a Prospectus to be published by the Company in connection with the proposed admission of DeSoto's shares to trading on the ASX. Snowden Optiro has been informed by DeSoto that the principal purpose of the offering is for the Company to facilitate compliance with Chapters 1 and 2 of the ASX Listing Rules and to raise funds to complete further exploration including geophysical surveys, geochemical sampling, geological mapping and drilling of existing mineral anomalies and exploration targets, with the aim of defining Mineral Resources.

Upon admission of the Company's shares to trading on ASX and acquisition of the mineral assets, the mineral assets of DeSoto comprise the Pine Creek Project in the NT (Figure 2.1).

Figure 2.1 Location of DeSoto's Pine Creek Project



This report has been prepared by Ms Justine Tracey (Managing Consultant) and was reviewed by Mrs Christine Standing (Executive Consultant) both of Snowden Optiro. This report has been prepared in accordance with the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets, 2015 Edition ("the VALMIN Code, 2015"), the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("the JORC Code, 2012") and the Australian Securities and Investment Commission (ASIC) Regulatory Guides 111, 112 and 228.

Ms Justine Tracey meets the competency criteria as set out under Section 11 of the JORC Code, 2012 and Section 3.1 of the VALMIN Code, 2015. Ms Tracey (MAusIMM-CP) is responsible for this report. Ms Tracey is a Managing Consultant with Snowden Optiro and has sufficient experience, which is relevant to the style of mineralisation, type of deposits under consideration and to the activities being undertaken to qualify as a Competent Person as described by the VALMIN Code, 2015 and the JORC Code, 2012. Ms Tracey consents to the inclusion in this Report of the matters based on her information in the form and context in which it appears.

The objectives of this Report are to provide an overview of the geological setting of the DeSoto mineral assets and the associated mineralisation, outline the recent and historical exploration work undertaken over the Project areas and comment on the exploration potential of the Project areas and the proposed future work programmes.

Consent has been sought from DeSoto's representatives to include technical information and opinions expressed by them. No other entities referred to in this Report have consented to the inclusion of any information or opinions and have only been referred to in the context of reporting any relevant activities.

2.2 Legislation and permitting

All exploration and mining activity in the NT is regulated by the Northern Territory Department of Industry, Tourism and Trade under the authority of the Northern Territory Government (NTG) of Australia. The tenement status can be viewed online through the NTG Spatial Territory Resource Information Kit for Exploration (STRIKE) Tenure and Geoscience Information system. All minerals are the property of the NT Government (NTG) and the Mineral Titles Act 2010 (NT) (MTA), Mineral Titles Regulations 2011 (MTR) and Mining Management Act 2001 (NT) (MMA) provide the legislative basis for industry to carry out appropriate mineral resource exploration and mining.

Those categories of relevance to the DeSoto mineral assets are described below:

Exploration licence

Mineral exploration licence applications are granted under the MTA, which operates in conjunction with the MMA. The MMA deals with the authorisation and management of the exploration, extraction and processing of minerals whilst ensuring the protection of the environment. These Acts are administered by the department. The MTA allows a person to apply for the grant of a mineral exploration licence (EL) over any land of the NT, subject to approval from the Minister or delegate of the department. Land of the Territory does not include Commonwealth land, such as Kakadu National Park.

To obtain a valid grant of an EL, each application must be processed in accordance with the relevant requirements of the Native Title Act 1993 (Cth) (NTA) or the Aboriginal Land Rights (NT) Act 1976 (Cth) (ALRA).

An EL is the principal title issued for exploration in the NT and authorises the title holder, subject to the MTA regulations and conditions of the EL, to explore for all minerals, other than an extractive mineral. The grant of an EL conveys to the title holder extensive rights to use and occupy the title area for the purpose of conducting authorised activities; however, prior to exercising those rights, all relevant notifications must be undertaken, and approvals obtained. The holder of an EL must comply with the conditions attached to the EL during the initial term and any subsequent renewal period.

Native Title

Native Title rights and interests are those rights in relation to land or waters that are held by Aboriginal or Torres Strait Islander peoples under their traditional laws and customs, and which are recognised by the common law. Native Title was first accepted into the common law of Australia by the High Court of Australia's decision in *Mabo (No 2)* in 1992.

Australian law recognises that, except where native title had been wholly extinguished by the historical grant of freehold, leasehold and other interests, Native Title exists where Aboriginal people have maintained a traditional connection to their land and waters substantially uninterrupted since sovereignty. The rights and interests vary from case to case but may include the right to live and camp in the area, conduct ceremonies, hunt, and fish, build shelter, and visit places of cultural importance. Some Native Title holders may also have the right to control access.

Australian law also requires that Native Title approval be obtained before mining applications can commence. Exploration tenures and production tenures may be granted by the Government in areas where Native Title exists. All of the Project tenements are within the boundaries of Native Title claims (both registered and unregistered) and/or Native Title determinations. Registered Native Title claimants and holders of native title under the determinations are entitled to certain rights under the Future Act Provisions in respect of land in which native title may continue to subsist. DeSoto may be liable to pay compensation to the determined Native Title holders for the impact of a tenement on native title. The amount of compensation will be determined in accordance with the *Native Title Act 1993* (NTA) and will be affected by the specific circumstances of each case. Snowden Optiro is satisfied that all tenements are valid under the NTA.

NT Heritage Act

Tenure in the NT are subject to the NT Heritage Act which provides for the conservation of the Northern Territory's cultural and natural heritage.

It is an offence under Section 111 of the NT Heritage Act to knowingly engage in conduct that results in the damage of a heritage place or heritage object (collectively referred to as "archaeological sites"), unless it is approved in accordance with Section 111(5) of the NT Heritage Act.

"Heritage places" and "heritage objects" are places and objects that have been declared to be such pursuant to Part 2.1 or Part 2.2 of the NT Heritage Act. Broadly, an "archaeological place" includes a place pertaining to the past occupation by Aboriginal or Macassan people that has been modified by the activity of such people and in or on which the evidence of such activity exists (Section 6 NT Heritage Act). An "archaeological object" generally includes a relic pertaining to the past occupation by Aboriginal or Macassan people of any part of Australia which is now in the Northern Territory (Section 8, NT Heritage Act).

NT Sacred Sites Act

Tenure in the NT are subject to the Sacred Sites Act. It is an offence under Part IV of the NT Sacred Sites Act to enter onto, work on or desecrate a Sacred Site other than in accordance with the NT Sacred Sites Act.

Authority Certificates from the AAPA must be applied for, to obtain certainty that proposed activities within the Tenements will not result in any offences under the relevant Aboriginal heritage legislation. Authority Certificates are usually issued by the AAPA within 6 months of application. Searches of the register maintained by the Northern Territory Department of Tourism and Culture and the Register of Sacred Sites maintained by the AAPA prior to commencement of exploration operations to ensure that no breaches of the NT Heritage Act or the NT Sacred Sites Act occur will be required.

Types of land tenure

There are three main types of land tenure in the NT:

- NT freehold
- Aboriginal land
- Pastoral leasehold.

Most of the land in the NT, outside of townships, is either Aboriginal land (approximately 49%) or pastoral leasehold (approximately 50%). These two land tenures are the most relevant to mineral exploration and development. Native title rights can exist over pastoral leasehold and co-exist over Aboriginal land, however, where the latter occurs, the land is considered to be Aboriginal land for the purposes of land tenure.

The Crown Lands Act 1992 (NT) (Crown Lands Act) defines a Crown Lease as a lease granted by the Minister under a law of the Territory relating to the leasing of Crown Land. Under the Crown Lands Act, a Crown Lease may be a lease for a term of years or a lease in perpetuity, being a lease that continues indefinitely. Crown Leases may contain reservations such as a reservation of a right of entry and inspection and a reservation of all minerals, mineral substances and ores in or on the land and covenants such as rent and use of the land. The Crown Lease may contain any other reservations, conditions or provisions prescribed or considered by the Minister to be necessary under the circumstances.

2.3 Validation of tenure

Snowden Optiro has prepared this Report upon the understanding that the exploration licences held by DeSoto are currently in good legal standing. Snowden Optiro has not independently verified DeSoto's legal tenure over its tenements and has relied on information provided by DeSoto. Snowden Optiro understands that DeSoto has engaged the law firm, Steinepreis Paganin to review the tenement status and provide a report which is included elsewhere in DeSoto's Prospectus. Among other things, the report prepared by Steinepreis Paganin provides an opinion on DeSoto's mineral licences, material conditions, native title determinations and agreements.

The Mining Amendment Act No. 22 of 1990 provides for exploration licences to have boundaries defined by lines of predetermined latitudes and longitudes. These lines are known as graticules and the units of land created are called graticular sections. The basic graticular section under the legislation is one minute of latitude by one minute of longitude (a block). The area of a graticular block varies depending on its latitude and the areas provided in this report are approximate, depending on the latitude of the project area.

DeSoto holds six granted exploration licences and three exploration licence applications (Table 2.1 and Figure 2.2). Six licences and applications are held by Mangusta Minerals Pty Ltd, which is a 100% subsidiary of DeSoto Resources Limited. An additional three granted exploration licences were acquired from and are currently held by Bacchus Resources Pty Ltd awaiting transfer to Mangusta Minerals Pty Ltd. The total licence area is approximately 1,886 km² assuming the exploration licences are granted in full. Mineral licence definitions are provided above in Section 2.2. First year annual expenditure requirements on the granted licences totals A\$379,500 with a further A\$29,401 for rent.

There is an excised area within the EL32885, comprising of four graticular blocks held by Copper Oz Pty Ltd as EL31475, due to expire 31/08/2023, and two partial surrender blocks of EL31475. There is also an excised area (four graticular blocks) on the southern corner of EL32885 and the northern corner of EL23886 covering the Town of Flemming.

EL31356 was granted to Bacchus Resources Pty Ltd on the 1st June 2017 for a period of six years and can be renewed annually thereafter. This exploration licence excludes the areas underlying the following mining licences: MLN21, MLN134, MLN1130 as well as authorised holdings: HLDN18 and HLDN115 and EMP22932, EMP30298.

EL32885 and EL 31899 overlap a perpetual Crown Lease, granted under Part 3 of the Crown Lands Act. The Company has confirmed that to the best of its knowledge, the Company's proposed exploration activities will not take place on the areas of the Tenements that overlap the Crown Lease.

The tenure overlaps several pastoral leases. The NT Mineral Titles Act prohibits or imposes restrictions on exploration activities on or near Crown Land (which includes pastoral leases). DeSoto must pay compensation to the pastoral lessee for any damage or loss suffered by the lessee arising from any exploration activities.

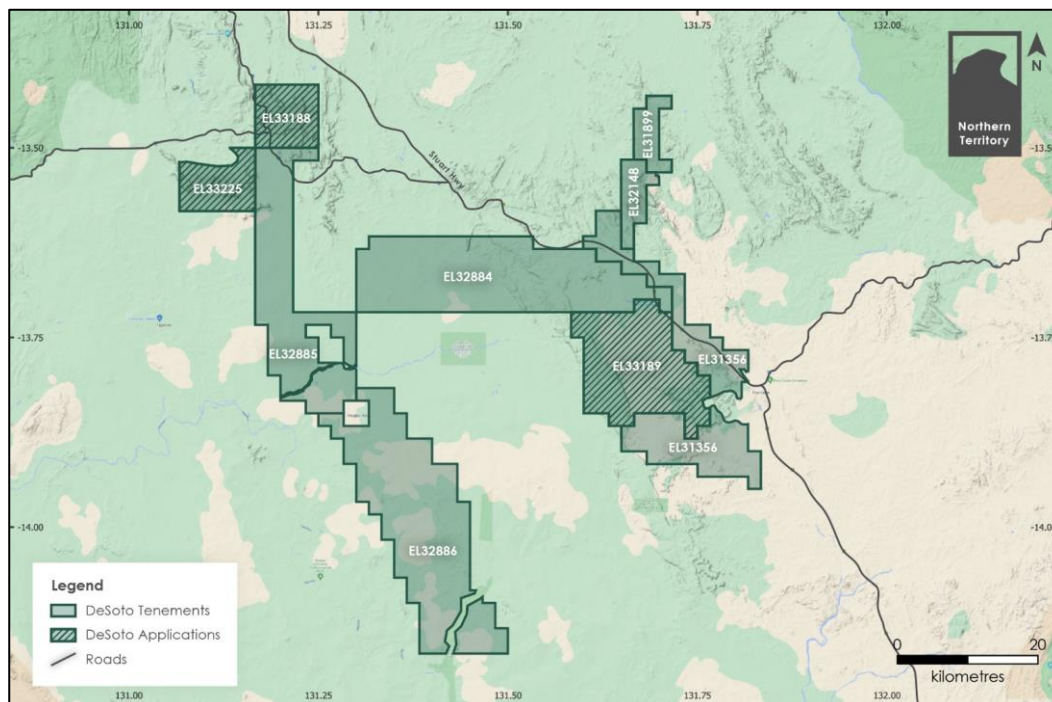
Table 2.1 Northern Territory exploration tenure (source: NTG STRIKE and DeSoto)

Licence	Ownership	Registered holder ^{1 & 2}	Area (block)	Area ³ (km ²)	Grant	Expiry	Rent (next rental year)	Annual expenditure (year 1)
EL32884	100%	Mangusta Minerals Pty Ltd	124	413.95	17/06/2022	16/06/2028	A\$4,836	A\$50,000
EL32885	100%	Mangusta Minerals Pty Ltd	86	283.90	17/06/2022	16/06/2028	A\$3,432	A\$100,000
EL32886	100%	Mangusta Minerals Pty Ltd	131	424.33	17/06/2022	16/06/2028	A\$5,109	A\$100,000
EL33188	100%	Mangusta Minerals Pty Ltd	25	83.50	Application	-	-	-
EL33189	100%	Mangusta Minerals Pty Ltd	77	255.49	Application	-	-	-
EL33225	100%	Mangusta Minerals Pty Ltd	26	80.86	Application	-	-	-
EL31356	100%	Bacchus Resources Pty Ltd	83	261.36	1/06/2017	31/05/2023	A\$13,114	A\$42,000
EL31899	100%	Bacchus Resources Pty Ltd	12	40.08	7/06/2018	6/06/2024	A\$1,896	A\$12,500
EL32148	100%	Bacchus Resources Pty Ltd	13	43.16	19/03/2020	18/03/2026	A\$1,014	A\$75,000

1: Mangusta Minerals Pty Ltd will be 100% owned by DeSoto Resources Limited on listing.

2: Licences purchased from Bacchus Resources Pty Ltd are being transferred to Mangusta Minerals Pty Ltd

3: Area in km² is approximate based on latitude of tenement and the relative proportion of any graticular blocks present.

Figure 2.2 DeSoto's Pine Creek Project tenure (source: DeSoto)


Declared heritage places have been located on EL33188, EL32884 and EL31356. Archaeological places and objects have been located on EL33188, EL32884, EL33189, EL32885 and EL31356. It is recommended that DeSoto conduct comprehensive archaeological surveys of the Tenements prior to commencement of exploration operations to ensure that no breaches of the NT Heritage Act or the NT Sacred Sites Act occur.

Native Title Authority Certificates have been issued for EL32885, EL33188, EL33189, EL32884 and EL33225 which identify restricted work areas in a parcel of land within those Tenements. As DeSoto cannot rely on an Authority Certificate issued to another person to determine the activities which it may undertake on the tenure, new Authority Certificates must be applied for, through Mangusta.

Snowden Optiro is not qualified to provide a legal opinion on the status of the granted Project licences but has reviewed the NTG STRIKE Tenure and Geoscience Information system and found them to be in good order. Accordingly, Snowden Optiro is satisfied that DeSoto currently has good and valid title to the described granted licences required to explore and undertake project development on the Project areas in the manner proposed. As the granted licences are within their first year, licence expenditure has not yet been reported. Given appropriate expenditure, Snowden Optiro considers it likely that the licences will be renewed as and when required. Any future commercial exploitation of mineralisation will, however, require the grant of a mining lease. Furthermore, Snowden Optiro has no reason to doubt that the remaining exploration licence applications will be granted in due course.

2.4 Responsibility for the Independent Technical Report

This Report was prepared by Ms Justine Tracey (Managing Consultant) and was reviewed by Mrs Christine Standing (Executive Consultant), both of Snowden Optiro. This Report has been prepared in accordance with the guidelines of the JORC Code, 2012, and the VALMIN Code, 2015.

In developing its technical assumptions for the report, Snowden Optiro has relied upon information provided by DeSoto and its consultants, as well as information obtained from other public sources. The material on which this Report is based includes internal and open-file project documentation, technical reports, drillhole and other exploration databases. DeSoto has provided to Snowden Optiro the drilling and sampling data and other information generated by DeSoto and by previous owners of the Project areas.

Snowden Optiro has independently reviewed all relevant technical and corporate information made available by the management of DeSoto, which was accepted in good faith as being true, accurate and complete, having made due enquiry of DeSoto. Snowden Optiro has additionally sourced publicly available information relative to DeSoto's mineral assets.

Snowden Optiro has not completed a site inspection of the properties. The Project is at an early stage of assessment, and it was considered that a site visit was unlikely to reveal any information or data that is material to this Report. Additionally, the Author has extensive experience with the Pine Creek area, having worked as a Resource Geologist and Mine Geology Manager at Cosmo- Howley

3 PINE CREEK PROJECT

3.1 Introduction

The Pine Creek Project is located approximately 150 km south of Darwin, and 3 km north of Pine Creek in the NT. Access to the Pine Creek Project is from the sealed Stuart Highway Hayes Creek which cuts through the Eastern portion of the licences. The eastern licences are accessed via the sealed Dorat and Oolloo Roads and then via well maintained gravel roads (Figure 2.2). The eastern areas are accessed via the Stuart Highway and then the Umbrawarra Road, which then provides access to the southern areas. The northern areas are accessible via the Fountain Head Road towards Mt Wells.

The Project licences are all contiguous and comprised of six exploration licences and three exploration licence applications. Three exploration licences were granted in June 2022 and three were acquired from Bacchus Resources Pty Ltd in September 2022 by Mangusta. First year annual expenditure requirements on the granted licences totals A\$379,500 with a further A\$29,401 for rent.

The Project licences, while contiguous, have a distinct eastern block of licences which cover the FSZ and a western block of licences which are just west of the PCSZ and are referred to as the Fenton and Fenix areas respectively,

The Project is located in the tropical savannah region which is characterised by a distinct six-month dry season (April to October) followed by a humid wet season (November to March).

Pine Creek lies predominantly within the Daly Basin Bioregion and the western edge of the Pine Creek Bioregion. The vegetation of the bioregion is predominantly characterised by woodland and open forests. It includes gently undulating plains with scattered low plateau remnants and some rocky hills and gorges (NRMAPS, 2022). The predominant landscape within the western area of the Project consists of limestone plains and rises and includes alluvial floodplains, and lateritic plains (NRMAPS, 2022). The Project is predominantly situated within the Daly River catchment area and is covered by a number of ephemeral drains and creeks which discharge to the northwest into the Daly River system (NRMAPS, 2022).

3.2 Geology

3.2.1 Regional geology

The Pine Creek Project is located in the Archaean to Paleoproterozoic Pine Creek Orogen (PCO) on the northern periphery of the North Australian Craton. The PCO is a deformed and metamorphosed sedimentary basin up to 14 km maximum thickness covering an area of approximately 66,000 km² and extending from the Katherine area in the south to Darwin in the north.

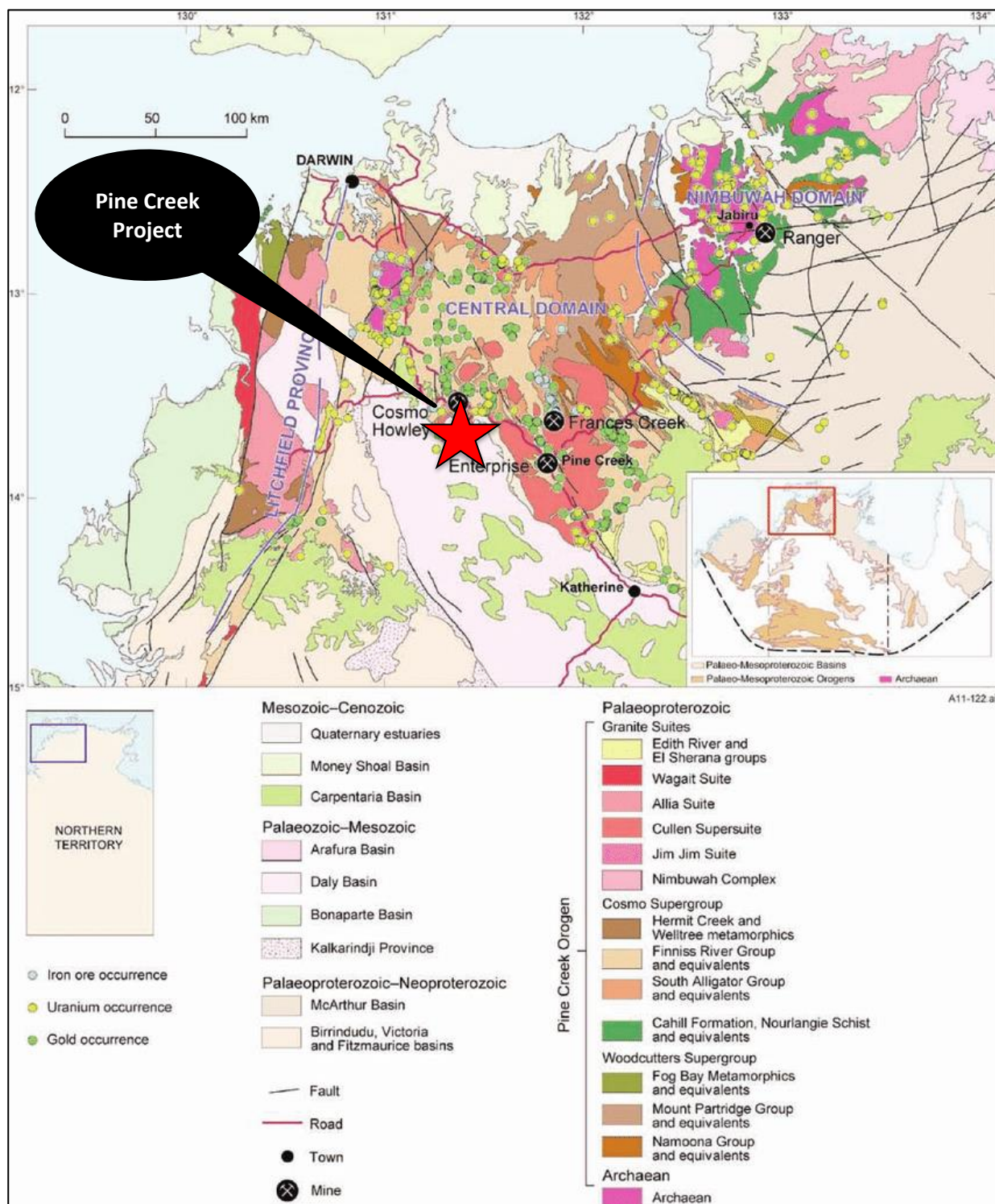
The PCO comprises a thick sequence of Paleoproterozoic sedimentary, volcanoclastic and minor volcanic rocks unconformably overlying the late-Archaean gneissic and granitic basement. The orogen has been intruded by mafic dolerite (Zamu Dolerite) and granites, particularly in the southeast, and is unconformably overlain by sedimentary rocks of later basins such as the Middle Proterozoic McArthur and Victoria Basins, and the Cambrian-Ordovician and Mesozoic sequences of the Daly and Bonaparte Gulf Basins.

From west to east, the PCO is subdivided into the Litchfield Province, Central Domain and the Nimbuwah Domain, based on the distinct timing and nature of sedimentation, magmatism and metamorphism (Hollis and Wygralak, 2012) (Figure 3.1).

The DeSoto Pine Creek Project is located in the western and central sections of the Central Domain of the PCO and comprises units of the Cosmo Supergroup which include the South Alligator Group and Finnis River Group. The stratigraphic sequences are dominated by mudstones, siltstones, greywackes, sandstones, tuffs, and limestones. These sedimentary units, as well as basic intrusions, were folded, metamorphosed and then subsequently intruded by the Cullen Batholith. Pegmatites occur throughout the region in close proximity to the Cullen Granites.

The majority of known gold deposits are hosted by the South Alligator Group and the lower parts of the Finnis River Group along anticlines, strike-slip shear zones and thrusts proximal to the Cullen Granite. The rocks of the South Alligator Group form a distinctive iron-rich sedimentary sequence, unconformably overlying the older rock sequences. The area of the South Alligator Group includes the basal Koolpin Formation, which is overlain by the Gerowie Tuff, which is conformable with the Mount Bonnie Formation. The Gerowie Tuff and overlying Mount Bonnie Formation are similar in composition and may act as a stratigraphic seal for gold mineralisation found in the ferruginous and carbonaceous rocks of the underlying and preferentially mineralised Koolpin Formation (Bajwah, 1994).

Figure 3.1 Generalised geology of the Pine Creek Project located in the North Australia Craton, NT
(source: Hollis and Wygralak, 2012)



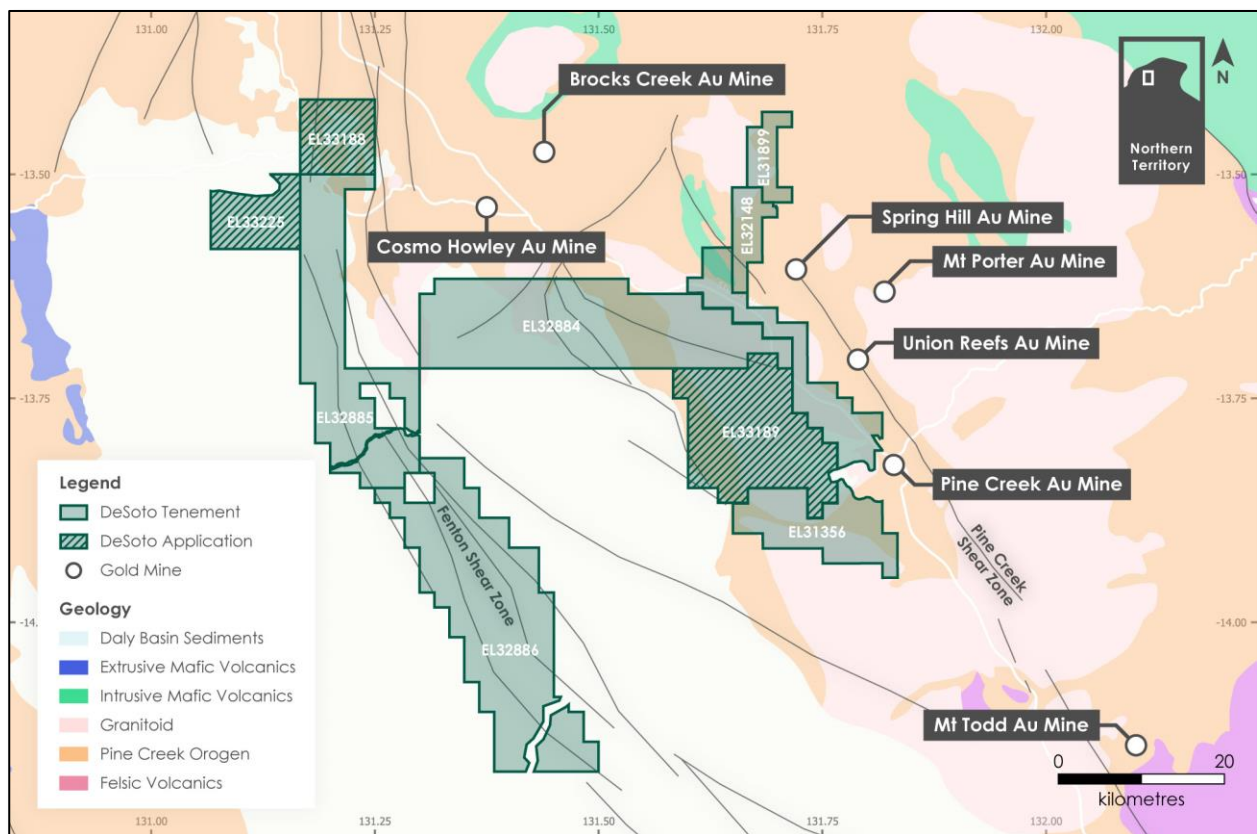
3.2.2 Local geology

The Project is located in the western and central sections of the Central Domain of the PCO. In the western area the Cambrian Basin cover sequences comprise variable thicknesses of sandstone and shale, with minor limestone in the west and northeast. These rocks unconformably overlie the prospective Paleoproterozoic sequence where South Alligator and Finnis River Group rocks are dominated by mudstones, siltstones, greywackes, sandstones, tuffs, and limestones. The Proterozoic rocks partly outcrop to the east, however, they are concealed at depth to the west where the prospective Koolpin Formation of the South Alligator Group has been intersected in drilling below 30 m to 200 m of Cambrian Daly Basin rocks.

In the central area there is extensive outcrop of the prospective Paleoproterozoic sequence where South Alligator and Finnis River Group rocks are dominated by mudstones, siltstones, greywackes, sandstones, tuffs, and limestones. These sediments are variably intruded by the Zamu Dolerite and are strongly deformed and intruded by the Cullen Batholith.

The geology of the central and eastern Project licences is dominated by granites of the Cullen Batholith. These granites are also present at depth in the southern licence area, as are pegmatites which have been logged in drilling at Fenton (Figure 3.2).

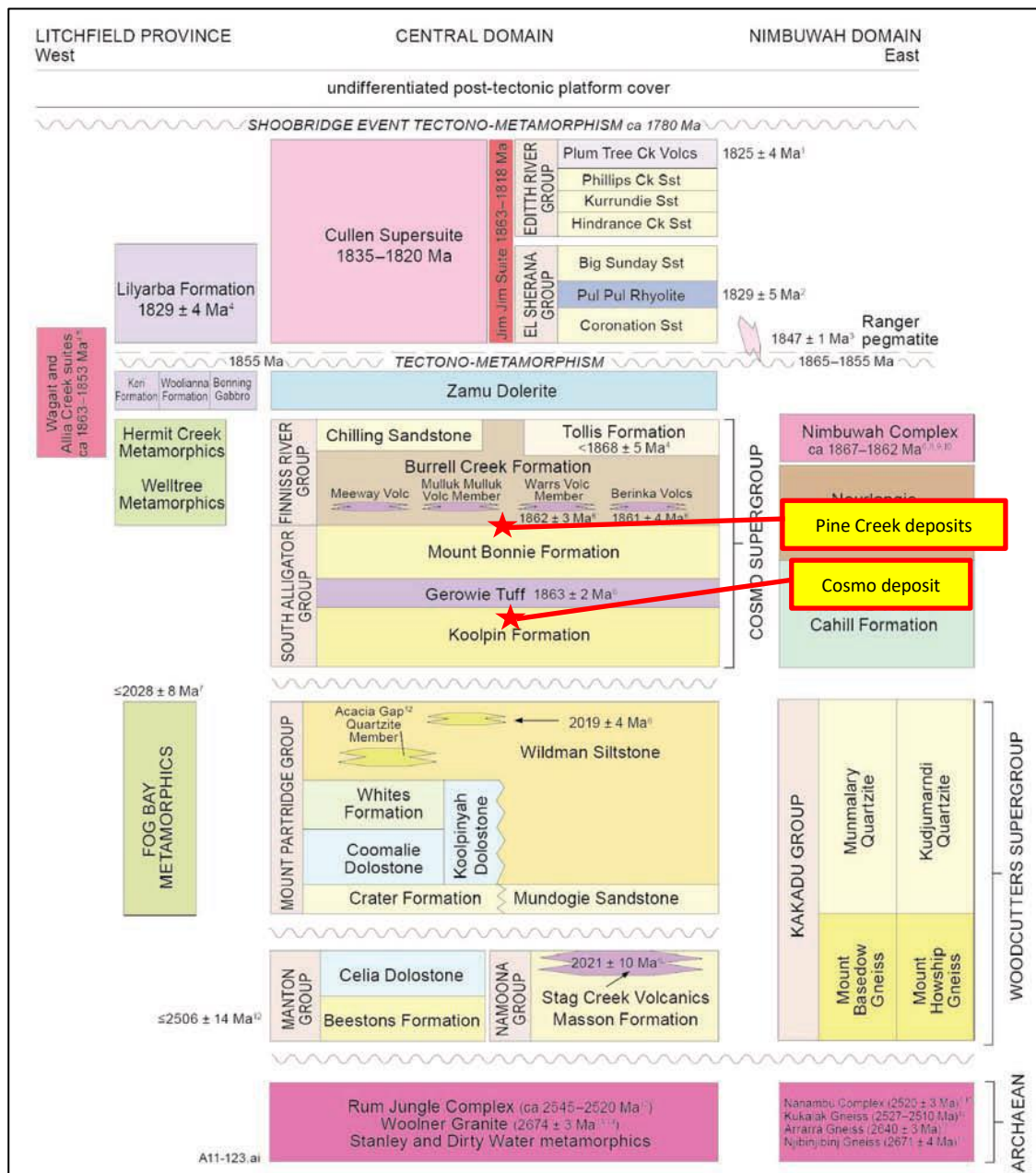
Figure 3.2 Geology and major structures of the DeSoto Pine Creek Project (source: DeSoto)



The western licences cover a 55 km strike length of the Fenton Shear Zone (FSZ) which is a major regional structure sub-parallel to the gold mineralised Pine Creek Shear Zone. Drilling of the FSZ has confirmed gold mineralisation, highlighting the prospectivity of the structure. The eastern licences are parallel to and partially cover the PCSZ, which is the major host for gold mineralisation within the PCO.

A simplified stratigraphic column of the Pine Creek Project area is presented in Figure 3.3.

Figure 3.3 Pine Creek Project simplified stratigraphic column (source: Hollis and Wygralak, 2012).



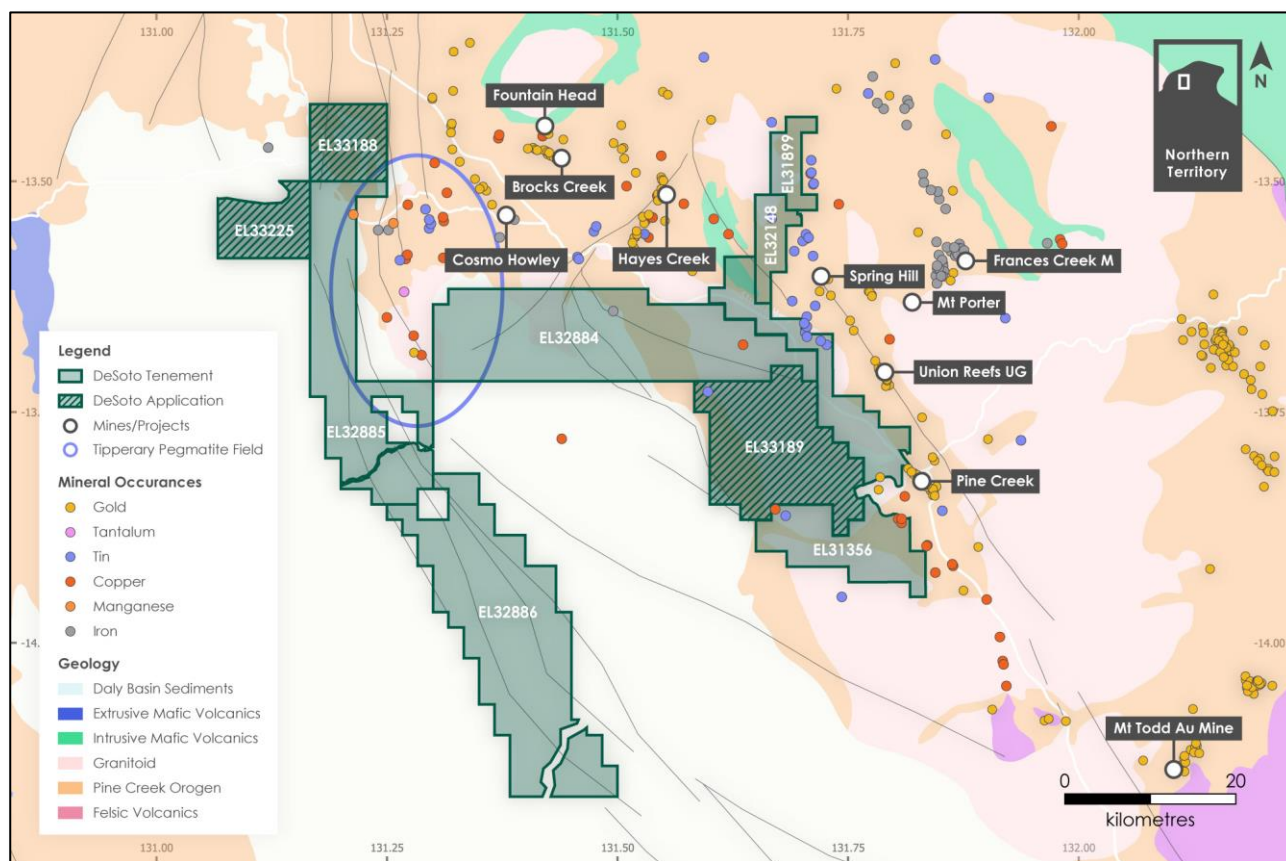
3.2.3 Mineralisation

The PCO hosts significant mineral resources of gold, uranium and platinum group elements (PGEs), as well as substantial base metals, silver, iron, magnesite, phosphate and tin-tantalum mineralisation.

In and proximal to the DeSoto Pine Creek Project area, the main mineralisation styles reported include orogenic lode gold, unconformity and shear hosted uranium, ferruginous sandstone-hosted hematite-goethite deposits, granite-pegmatite hosted tin-tantalum deposits, and copper-lead-zinc deposits (Figure 3.4).

Although DeSoto is aware of uranium and other mineral potential in the Pine Creek Project area, gold and lithium mineralisation are currently the primary focus for exploration.

Figure 3.4 Pine Creek Project – location map and surrounding mineralisation occurrences (source: DeSoto)



Gold

For over a century the PCO has been explored for gold following its discovery from a hole dug for the construction of the overland telegraph line in the 1870s. Pine Creek was the centre of a mining boom in the early 1900s, with about 2.3 t of gold extracted from approximately 123,000 t of mostly oxidised ore in the Pine Creek area. After this period, only intermittent mining and exploration occurred until the leases were taken over by Pine Creek Goldfields Limited in 1980.

Modern gold exploration did not commence until 1980, when increased gold prices and improved technology drove renewed exploration. Systematic geological mapping, geochemical surveys and drilling, were conducted around previously known occurrences such as Enterprise, Cosmo Howley and Golden Dyke. These deposits were re-evaluated and subsequently mined while several new gold deposits were also discovered. The depressed gold price during the late 1990s curtailed exploration until a recovery in 2005 stimulated further exploration and mining.

The Pine Creek gold field contains approximately 17 Moz of recorded gold deposits (Table 3.1 and Figure 3.5) hosted in a 60 km long and 1 km wide, northwest trending belt, adjacent to the western margin of the Pine Creek Shear Zone (PCSZ), the dominant gold hosting structure in the region.

Gold mineralisation at Pine Creek is contained within the Lower Proterozoic sediments of the Burrell Creek Formation at the base of the Finnis River Group along anticlinal axes, strike-slip shear zones and thrusts proximal to the Cullen Batholith.

Mineralisation at Pine Creek is associated with veins of quartz or quartz plus sulphide or sulphide alone, with the bulk of the mineralisation occurring within siltstones. Mineralisation styles include:

- Saddle reef (Pine Creek)
- Stockwork veining across the anticlinal axis (Union Reefs)
- Narrow quartz veins peripheral to the axis (Pine Creek)

- Fault related mineralisation (Pine Creek)
- Gold in iron-rich sedimentary rocks (Cosmo Howley).

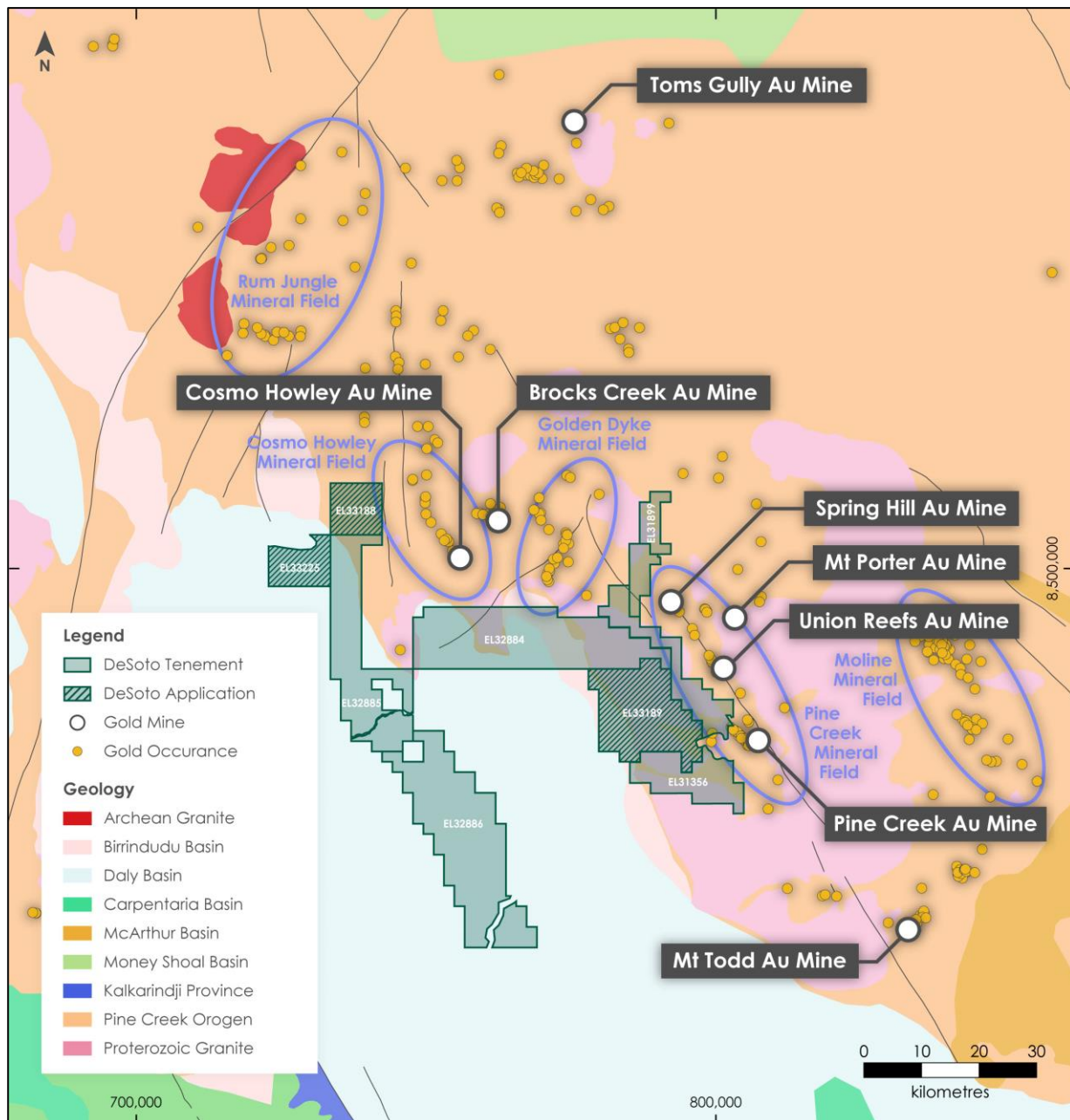
Gold occurs within the veins or their alteration haloes as free gold, which accounts for two to 50 percent of the total gold content. Sulphide minerals include pyrite, pyrrhotite, arsenopyrite, marcasite, chalcopryite, galena, sphalerite, bismuthinite, tetrahedrite and covellite, in addition to minor rare native copper and bismuth. Wall rock alteration is identified as silicification with biotite and chlorite or k-felspar +arsenopyrite +/- pyrrhotite +/- pyrite (Dann and Delaney, 1984).

The Cosmo Howley gold mine, located 60 km northwest of Pine Creek, produced 1.05 t of gold from 1879 to 1915, and 15.7 t of gold from ore grading 2.04 g/t gold from 1987 to 1993. The remaining Indicated Mineral Resource for the Cosmo underground operation is stated as 8.7 Mt at an average grade of 4.38 g/t gold (MODAT, 2022). Mineralisation is broadly stratabound, being hosted by greenschist-facies banded ironstone and mudstone in the Koolpin Formation on the Howley Anticline. Mineral assemblages include chlorite and actinolite with minor mica, quartz, garnet, graphite and fine-grained pyrite. Free gold is rare and most gold occurs as sub-microscopic inclusions within arsenopyrite and pyrite. Other sulphides include minor chalcopryite and pyrrhotite (Ahmad et al., 1999).

Table 3.1 Recorded gold Mineral Resources within 100 km of the DeSoto tenement licences (Source: Modat, 2022)

Mine/Deposit	Mineral Resource	Contained gold (Moz)	Company	Status
Mount Todd	360 Mt at 0.8 g/t gold	9.08	Vista Gold Corp	In development
Union Reefs	39 Mt at 1.72 g/t gold	2.10	Kirkland Lake Gold	Mined out
Enterprise Pine Creek	9.2 Mt at 2.7 g/t gold	0.80	No company	Mined out (Abandoned)
Cosmo Deeps	8.7 Mt at 4.38 g/t gold	1.20	Kirkland Lake Gold	Care and maintenance
Cosmo Howley	27 Mt at 2.10 g/t gold	1.78	Kirkland Lake Gold	Mined out
Spring Hill	6.9 Mt at 1.74 g/t gold	0.38	PC Gold	In development
Mount Porter	0.9 Mt at 1.9 g/t gold	0.05	Ausgold	In development
Brocks Creek	5.7 Mt at 2.19 g/t gold	0.40	Kirkland Lake Gold	Mined out
Mount Bundy and Toms Gully	54 Mt at 1.04 g/t gold	1.76	China Hanking	In development

Figure 3.5 Major gold deposits and geology in the vicinity of the Pine Creek Project licences (source: DeSoto)



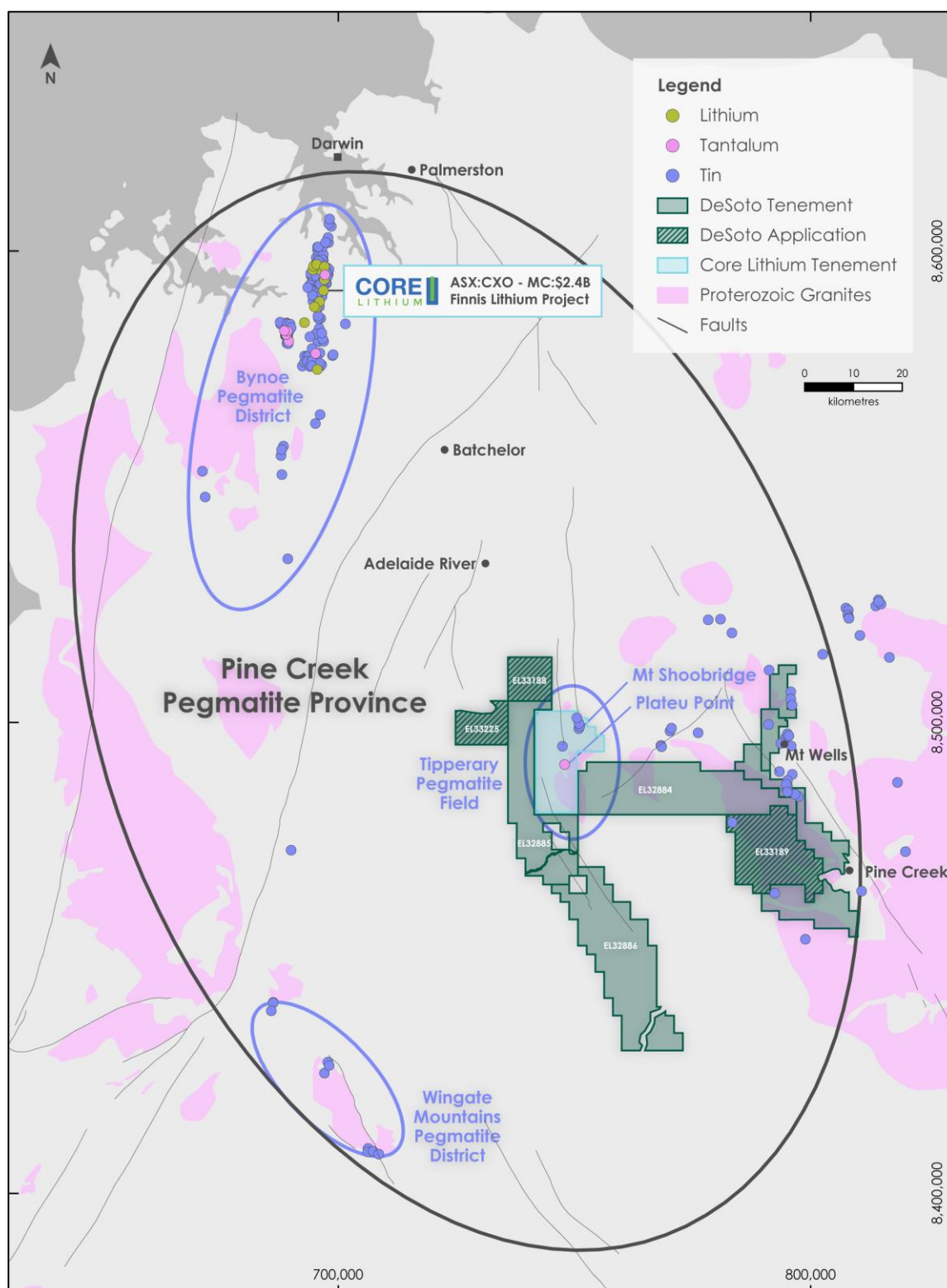
Lithium

Historically, lithium has not been targeted for exploration in the PCO, however, due to the current interest in renewable energy and battery metals, the Pine Creek Project area has seen a surge of interest in lithium exploration given the prospectivity of the underlying geology. Several companies including Lithium Australia Limited (LIT), Charger Metals NL (CHR), Lithium Plus Minerals (LPM) and Core Lithium Limited (CXO) are now actively exploring for lithium in the NT.

As lithium mineralisation is associated with rare-element pegmatites, previous tin-tantalum (Sn-Ta) pegmatite mineralisation is considered a proxy for identifying areas prospective for lithium-caesium-tantalum (LCT) pegmatites which are most likely to host spodumene in the Proterozoic granites of the PCO. These rare-element pegmatites commonly occur as groups or clusters above shallowly dipping granite contacts. They are generally found in linear belts parallel to regional faults and parent granites.

The Pine Creek Pegmatite Province (PCPP), which is over 200 km long and is made up of several rare-element pegmatite areas, is located along the western margin of the PCO. According to Frater (2005) all recognised pegmatite fields in the NT are granite pegmatites of the LCT type. These include the Litchfield Pegmatite Belt (comprising the Bynoe pegmatite field and Wingate Mountains pegmatite district), the Tipperary pegmatite field and the Plateau Point pegmatite field. The latter two fields are part of the Tipperary district and are located within 50 km of Pine Creek and partly cover the DeSoto Project licences (Figure 3.6).

Figure 3.6 Pine Creek Pegmatite Province and districts showing lithium, tin and tantalum occurrences and Proterozoic granites (source: DeSoto)



In 1882, George Barrett discovered the first pegmatite-hosted tin-tantalum lodes, 35 km southeast of Adelaide River township near Mount Shoobridge in the Pine Creek area. One pegmatite lode became known as Barretts and the other Old Company (Mount Shoobridge) mine. Both Barretts and the Old Company mine ceased operation in the mid-1890s after a total recorded production of 147 t and 117 t of tin-concentrate respectively (Ahmad et al, 1993; Frater, 2005).

The source of the Shoobridge pegmatites is the Shoobridge Granite, part of the Cullen Supersuite fractionated I-Type granites, with the dominant host stratigraphy the Burrell Creek Formation of the Finnis River Group, or its metamorphic equivalent, the Welltree Metamorphics. The Shoobridge pegmatites are hosted in the Burrell Creek and Mount Bonnie Formations (Mount Finnis and South Alligator Groups). The Plateau Point pegmatites are interpreted to be hosted in the Mount Partridge Group Wildman Siltstone (Frater, 2005) and these host rocks have been recorded to occur within the DeSoto Licences where pegmatites have been logged in previous exploration drilling but were not assayed for lithium.

Directly south of DeSoto's eastern Project licences, within the central part of the PCO, is the Mount Wells tin-copper (gold) mine, Figure 3.6. This is a lode quartz vein hosted tin oxide (cassiterite) deposit within the Prices Spring Granite (Ausminerals, 2022).with a reported non-JORC Exploration Target of 0.7 Mt to 0.9 Mt at 0.92% to 1.1% tin (Jadar Resources, 2021).

3.3 History

Previous exploration within the Pine Creek Project licences has focused predominantly on gold mineralisation, but has also historically included diamonds, base-metals, rare earth elements (REE), tin, manganese, potash, phosphate and lime.

The historical gold and lithium exploration conducted within the Project and surrounding area is summarised below. Much of the historical data is not available digitally.

3.3.1 Gold exploration – Fenton

The Pine Creek Project area covers the substantially under-explored regional-scale FSZ, located approximately 40 km to the west of the PCSZ, which hosts most of the known gold deposits including Cosmo Howley (2 Moz+ gold). The FSZ was not seriously explored until regional programmes were carried out in the 1990s.

The western Pine Creek Project licences, which comprise EL32884 - 32886, EL33188 - 33189 and EL33225, are known as Fenton and cover the FSZ.

North Exploration – Geopeko (1991 -1995)

Exploration at Fenton over the FSZ commenced in 1991 by Geopeko Wallsend Operations Ltd which later became North Exploration (North). Initial exploration in 1991 utilised Northern Territory Geological Services (NTGS) geological and geophysical survey data, reconnaissance ground magnetics and mapping to identify an anticlinal structure in the South Alligator Group rocks under less than 100 m of Cambrian cover.

Northwest striking faults and shears were also identified which led to a 225 km² Aerodata geophysical survey being completed in 1992. Three reverse circulation (RC) holes (FENRC1- FENRC3) for 279 m were drilled that intersected the Proterozoic basement between 38 m and 60 m downhole (Sowerby, 1993).

In 1993, geophysical targeting surveys included dipole-dipole IP, gradient array IP and ground magnetics with targets followed-up with 16 RC holes for 1,699 m (FENRC4-20), and two diamond drill (DD) holes (FEND1-2) for 603 m (Sowerby, 1994).

During 1994-95, North completed 95 km of gridding, a gradient array IP and dipole-dipole IP survey, as well as ground magnetics at Fenton to confirm the magnetic anomalies target depths for drilling (~200 m). North subsequently drilled three RC pre-collared DD holes for 681.8 m (FEND3-5) and 25 RC holes for 3,350 m (FENRC21-45) (Hoschke, 1995). The majority of this drilling is outside but proximal to the current DeSoto tenure.

In August 1995, North formed a farm-in joint venture with Homestake Gold of Australia (HGAL) who became the operators of the licence (Omotosho and Stewart, 1996) and continued exploration in this licence and within their wholly owned licences.

Homestake Gold of Australia (1995 -1999)

HGAL commenced exploration on the Fenton Project in 1995 and approached the area with an adjusted strategy of exploring for concealed gold deposits, specifically in iron rich sediments. HGAL interpreted another Pine Creek Shear corridor approximately 30 km to the west along the margin of the Cullen Batholith that they called the Blue Ant or Fenton Geosuture (FSZ). HGAL also noted similarities between the stratigraphy and mineralisation of the South Alligator Group, especially between the Koolpin and Homestake Formation, which hosts the Homestake deposit, South Dakota (+39 Moz gold produced). This assumption was the basis of HGAL's exploration model over Fenton (Stewart, 1997).

HGAL purchased geophysical data, magnetic and gravity data from a multi-client survey and acquired a 1:100,000 total magnetic intensity (TMI) image. The TMI image was from the Aerodata multi-client survey collected on 200 m east-west lines, with a sensor height of 70 m and image pixel size of 50 m. In 1995, HGAL conducted a gravity survey along two east-west lines with lengths of 14 km and 16 km and readings were taken at 100 m spacing. These lines were combined with regional Northern Territory Geological Survey (NTGS) and AGSO (Australian Geoscience Survey Organisation) data (Hronsky, 2013) and results from this data formed the basis of the exploration drill targeting. A 995 sample multi-element Mobile Metal Ion (MMI) using -10 mesh, soil survey was undertaken, however, results were considered inconsistent when compared to MMI results from drillholes FEND18 and FEND21 (Rea, 1998), hence it was not used for targeting.

During their tenure HGAL drilled six RC holes for 798 m (FENRC46-51) targeting base metal soil anomalies. These were assayed for copper, lead, zinc, silver and cadmium but no significant results were returned (Rea, 1999a). HGAL also drilled 19 RC pre-collared DD holes for 9,061.25 m (FEND6-22, 9A, 20A-21A) to test targets based on magnetics and gravity. The regional DD and RC drilling programme intersected material gold levels in two drillholes that are within the DeSoto Project area (FEND14 and FEND18). Proterozoic basement was intersected at 242 m and 158 m downhole, respectively in the two holes.

FEND14 intersected 17 m at 0.74 g/t gold from 610 m within a 150 m-thick zone of pyrrhotite rich, iron-rich, chlorite and chert sedimentary package within a felsic hanging wall unit (Gerowie-Tuff-like). This included 8 m at 1.27 g/t gold from 614 m in association with arsenopyrite which is typical of Cosmo-Howley style of mineralisation (Stewart, 1997; Rea, 1999b). Whilst HGAL considered this hole a technical success in locating the magnetic stratigraphy of the Koolpin Formation, the thickness of the cover sequence made this property less attractive for further exploration to HGAL.

FEND18 was drilled 1,200 m south southeast from FEND14 and intersected 20 m at 1.74 g/t gold (Stewart, 1997; Rea, 1999a) within a broad zone of continuous stratabound mineralisation from 423 m to 443 m. The FEND18 intersection was approximately 200 m above the intersection from FEND14 within a thick (180 m) sequence of banded iron formation (BIF) under Gerowie Tuff equivalent rocks (Stewart, 1997). FEND18 was significant in that it confirmed not only the consistency of broad zones of gold mineralisation initially identified in FEND14, but also encountered various high-grade gold intersections (including visible gold at 423 m), confirming the strength of the mineralisation system. HGAL considered this hole a technical success, however, following a corporate restructuring of HGAL this property was relinquished without further follow-up exploration (Hronsky, 2013).

HGAL spent approximately A\$1.382 million on exploration that was successful in demonstrating the previously unexplored FSZ hosted gold mineralisation. They also confirmed that the gold mineralisation in the FSZ was similar in nature and probably in age to that found at Cosmo Howley, providing some proof of concept for the HGAL "Homestake Gold" exploration model.

St George Mining Limited (2009-2014)

St George Mining Limited (SGML) commenced exploration at Fenton in 2010 after signing an option agreement to acquire 80% of EL27732 (now covered by DeSoto's EL32885 and EL32886) in March 2009, from holders James Stewart (50%) and Geotech International (50%). This tenement formed part of SGML's Pine Creek Property and Blue Thunder Gold Project covering the area of the Douglas Daly River and surrounds.

The major focus of exploration was following-up mineralisation identified in FEND18 and targeting the southern extension of the FSZ which they noted to have similarities in style, age and setting to the Obuasi gold deposit (+27 Moz gold Mineral Resource) in Ghana (Hronsky, 2013).

In 2011, SGML conducted a multi-element MMI soil geochemical survey that covered and infilled an older MMI gold survey by HGAL, re-logged the two historical DD holes drilled by HGAL (FEND14 and FEND18) including analysis by CSIRO HyLogger technology. Review of this information generated a new target area which was used in the target generation and the drilling of PCDD001 (Hronsky, 2013).

PCDD001 was drilled approximately 27 m to the east of FEND18 reaching a target down-hole depth of 550 m. The orientated drillhole initially encountered generally flat-lying, post-mineralisation sedimentary sequences to 260 m downhole depth before passing into a long interval of intense alteration and brecciation, which obscured any specific structural features (SGML, 2012). No downhole lithological log exists as SGML used the CSIRO HyLogger to log the core.

Spectral mineral analysis and visual core logging showed the hole to be pervasively altered (silica and albite and pyrite). The core was analysed for gold and, as it contained significant levels of recrystallised sulphides, it was also analysed for selected REE. PCDD001 did not intersect any anomalous gold mineralisation despite its proximity to FEND18 (Hronsky, 2013).

A SGML technical review of the exploration data suggested FEND18 encountered a steeply dipping footwall zone to the gold mineralisation which is hosted within the narrow and sharply overturned eastern limb of a thrust fold. PCDD001 was interpreted to have missed the favourable Koolpin stratigraphy due to the tight and steeply orientated nature of the structure and stratigraphy. The footwall of the Koolpin Formation is the unconformable sub-vertical boundary between the overlying South Alligator Group of sedimentary units and the underlying Mt Partridge group (SGML, 2012).

This unconformity is a major and long-lived structural zone and explains the intense alteration, mineralisation and brecciation encountered in PCDD001. It was interpreted that the lack of any anomalous gold in association with the silicification and sulphide mineralisation initially identified in the drill core was related to a younger hydrothermal event at Pine Creek, possibly linked to REE mineralisation (Hronsky, 2013).

The strong REE response in PCDD001 (up to 558 ppm lanthanum, 76.6 ppm yttrium and 40.8 ppm samarium) was determined to be consistent with the emplacement of REEs of mantle source emplaced below the Koolpin Formation along this unconformity.

The results of the CSIRO HyLogger study on FEND14 and FEND18 (Smith, 2011) showed that, despite the higher grade and the presence of visible gold in FEND18, the high Mg-chlorite response of the lower (gold) grade FEND14 suggests this DD hole is closer to the core of the gold mineralisation. This finding was supported by the MMI multi-element soil geochemical survey conducted by SGML. According to Hronsky (2013), the MMI survey recorded the highest gold, silver and molybdenum values in the northeast of the survey area. Elevated levels of these element associations are considered indicative of proximity to the core of a gold system.

The conclusion from the SGML project review in 2013 was that the priority exploration area at the Pine Creek Project was around the northern end of the tenement, where FEND14 was situated (Hronsky, 2013). There was a good correlation with anomalous sections of the HGAL soil geochemistry, with anomalous geochemistry on the northern portion of the tenement.

The identified positives of the 2013 project review include the optimal location from an infrastructure perspective and that the presence of gold mineralisation has already been demonstrated (FEND18). The limited exploration within the larger project area has shown the presence of a larger area and drilling has shown favourable indications for a large gold system, permissive of hosting a large size gold system. The negatives of the project are the deep occurrences of gold mineralisation and the associated exploration (and operational) costs (Hronsky, 2013b).

SGML relinquished the licences in June 2014 having done no further field exploration due to the lack of funds, despite the untested targets of FEND14 and the associated magnetic and MMI soil anomalies.

Newmont Australia (2017-2021)

Newmont Exploration Pty Ltd (Newmont) acquired the Fenton and Fenton South area as EL31350 in June 2017, targeting Proterozoic Pine Creek lode style gold mineralisation. They had previously held part of the area as EL5767 from 1988 to 1990, targeting precious and base metal mineralisation on the margins of the Daly River Basin in proximity to north northwest trending structures. No significant results were reported (Thompson, 1990).

Work completed by Newmont between 2017 and 2021 included desktop studies, orientation and detailed surface geochemical surveys utilising Newmont's proprietary Deep Sensing Geochemistry (DSG) technique, regolith mapping and diamond drilling. Using the proprietary DSG technique, Newmont reported a score that reflects a derivative product of proximal mineralisation through cover and not actual assays. A score of greater than 2.5 indicates potential mineralisation (Haines, 2018).

A two-line orientation DSG surface geochemical survey comprising 321 samples (including six duplicates) was completed to assess two magnetic anomalies. Haines (2018) reported that the DSG survey successfully identified anomalous values in the expected position through the alluvium. This was followed-up with a more detailed DSG geochemical survey in 2018 comprising 460 samples (including nine duplicates). Regolith mapping was used to check the reliability of the DSG results which identified two anomalies in the expected positions through transported alluvium, however, it was Newmont's opinion that the DSG survey did not identify any areas requiring further follow-up exploration (Haines, 2021).

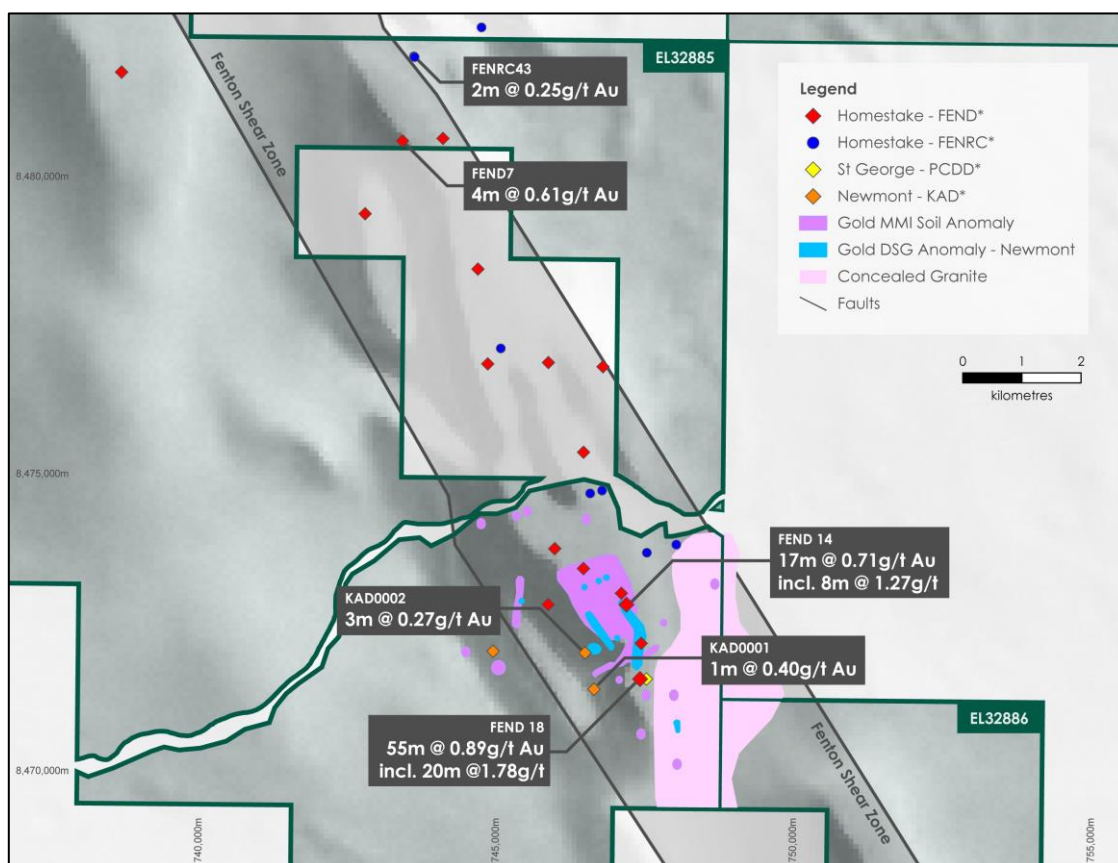
A three-hole DD programme was completed in 2018, within the southernmost area of the two confirmed magnetic anomalies, that targeted anomalous gold mineralisation in favourable stratigraphy (Haines, 2021). It should be noted that as the 2018 DSG geochemical survey was being conducted concurrently with drilling and it was not used for drill targeting. The drilling programme consisted of three mud rotary pre-collared DD holes (KAD0001-KAD0003) for a total of 2,025.3 m with all holes drilled to the west of FEND18 and PCDD001. Sampling commenced from the top of the Paleoproterozoic basement (~220 m) with all samples analysed for gold. In addition, a suite of 65 multi-element analyses were completed every 5 m down hole, as well as at 1 m intervals in areas of interest. No significant gold results were returned with a maximum intercept of 1 m at 0.4 g/t gold from 756 m reported in KAD0001 (Haines, 2021). Newmont subsequently surrendered the licence with the view that the defined target areas in the project had been adequately assessed and did not return any elevated results that warranted further investigation (Haines, 2021).

DeSoto (2022)

DeSoto reviewed drill core from holes FEND14, FEND18, FEND7 and one hole from Union Reefs UTRD67305, and collected fifteen samples of quarter core for petrophysical analysis by Terra Petrophysics Pty Ltd. Results from the analysis will be used to provide DeSoto with an understanding of physical properties of rocks in the region and to assist with the interpretation of geophysical field data.

A summary of previous gold exploration over DeSoto's Pine Creek Fenton Project area is given in Figure 3.7.

Figure 3.7 Previous gold exploration on magnetics showing significant drill intercepts at Fenton (source: DeSoto)



3.3.2 Gold exploration – Fenix

The eastern Pine Creek Project licences which comprise EL31356, EL31899 and EL32148, are known as Fenix and are adjacent to and over the PCSZ. These licences have seen sporadic and non-systematic exploration for gold and base metals since 1984.

Exploration has been conducted by companies including Aztec Mining Company Limited (Aztec), AngloGold Australia Limited (AGA) Western Mining Corporation Limited (Western Mining), Oceania Exploration and Mining NL (Oceania), Acacia Resources Limited, CRA Exploration Pty Limited (CRA), Thundelarra Resources Limited, Magnum Resources Limited (Magnum) and Bacchus Resources Pty Limited (Bacchus). The northern and southern areas of EL31356 have been the focus of the majority of the exploration activities with licences EL31899 and EL32148 having very little gold exploration. Previous exploration consists of stream, soil and rock chip sampling with limited drilling.

All three licences sit over the prospective stratigraphy of strongly folded and sheared South Alligator and Finnis River Groups including the Koolpin Formation, Gerowie Tuff and Zamu Dolerite within or on major splays of the PCSZ.

The majority of the gold exploration within EL31356 has been conducted in an area known as the Burrundie Dome where complexly folded Koolpin Formation and Zamu Dolerite are mapped in the most north-west section of the tenement. This area was explored for gold and base metals by Western Mining, CRA, Aztec and Oceania during 1984 to 1997 but has seen very little exploration since.

Cyprus explored the Burrundie Dome for gold and predominantly base metals by undertaking a TMI airborne geophysical survey, geological mapping, stream sampling and soil and rock chip sampling. Aztec defined a 600 m long stream and soil gold anomaly centred over an upright, tight anticline of Koolpin Formation and Zamu Dolerite. Cyprus reported maximum stream grades of 86 ppb gold (Enterprise North), soils grades of 896 ppb gold (Emerald Springs) and rock chip grades of 530 ppb gold over a number of targets within the Burrundie Dome which remain untested (Cyprus, 1989) (Figure 3.8). Aztec drilled two diamond holes (ESD1 and ESD2) at Emerald Springs targeting lead-zinc mineralisation within the Middle Koolpin Formation where galena was mapped in weathered limestone, however, no significant mineralisation was reported (Butler, 1994) and drillhole metadata cannot be located.

The southern area of EL31356 has also been explored for gold by Enterprise Gold Mines, Thundelarra Resources, Peel Investments and Bacchus during the period of 1997 to 2020 in an area known as Copperfield where the Tabletop Granite has intruded Paleoproterozoic sediments of the Burrell Creek Formation. Gold exploration to date has consisted of stream, soil and rock chip sampling and a ten RC drillhole programme comprising 1,557 m completed by Thundelarra Exploration (Bajwah, 2012). The best result of 1 m at 0.21 g/t gold from 35 m (Petrella, 2016) was reported in drillhole TMLRC012 (Figure 3.8).

Gold mineralisation has been encountered within the Copperfield area within poly-metallic quartz vein sets with anomalous gold-copper-lead-zinc-bismuth (Bajwah, 2012) within the contact aureole of the Tabletops Granite. Maximum rock chip grades of 3.50 g/t gold were reported by Peel Investments Pty Ltd (Shields, 1996).

Through the central section of EL35316, directly along strike from the Pine Creek Gold Mine, AngloGold Australasia (AGA) and Davos Resources PLC (Davos) conducted extensive stream and soil sampling for gold during the period 2001 to 2007. AGA defined a moderate 600 m long gold in soil anomaly with grades of up to 14 ppb gold (Large 2001) and Davos defined an 800 m long gold in soil anomaly with grades of up to 280 ppb gold (Kastellorizos, 2007). Both gold soil anomalies have not been followed-up with further exploration. Figure 3.8 shows the location of anomalous samples for gold within the eastern licences.

EL31899 and EL32148 sit over the strongly upright, isoclinally folded sequence of the Mount Bonnie Formation, Gerowie Tuff, Koolpin Formation and Zamu Dolerite, which have been intruded and truncated to the north by the Princes Spring Granite. EL32148 has the PCSZ running directly through the centre of the licence and is 6 km north along strike from the Spring Hill gold deposit (6.9 Mt at 1.74 g/t gold, Modat, 2022).

The only recorded gold exploration in both licence areas was undertaken by Magnum in 1986 and 1987. Magnum conducted mapping, rock chip sampling and undertook a programme of stream gravel samples. The stream gravel samples were panned and concentrated using a Knelson Concentrator with the resultant concentrate examined petrographically. All samples had visible gold grains, however, no significant gold concentrations were defined. Magnum concluded that the results indicate widespread occurrences of gold yet were unable to define any specific areas worthy of follow-up (Milligan, 1987).

DeSoto mapped a road cutting along the Stuart Highway, Figure 3.8, (803167E / 8473085N (GDA94_z52) in the Fenix ground (EL31356) in July 2022 and a coarse weathered pegmatite cutting through granite (Tabletop) and sediment was identified, Figure 3.9.

A summary of previous gold exploration over DeSoto's Pine Creek Fenix Project area is given in Figure 3.8.

Figure 3.8 Previous gold exploration on geology showing historical surface sampling at Fenix (source: DeSoto)

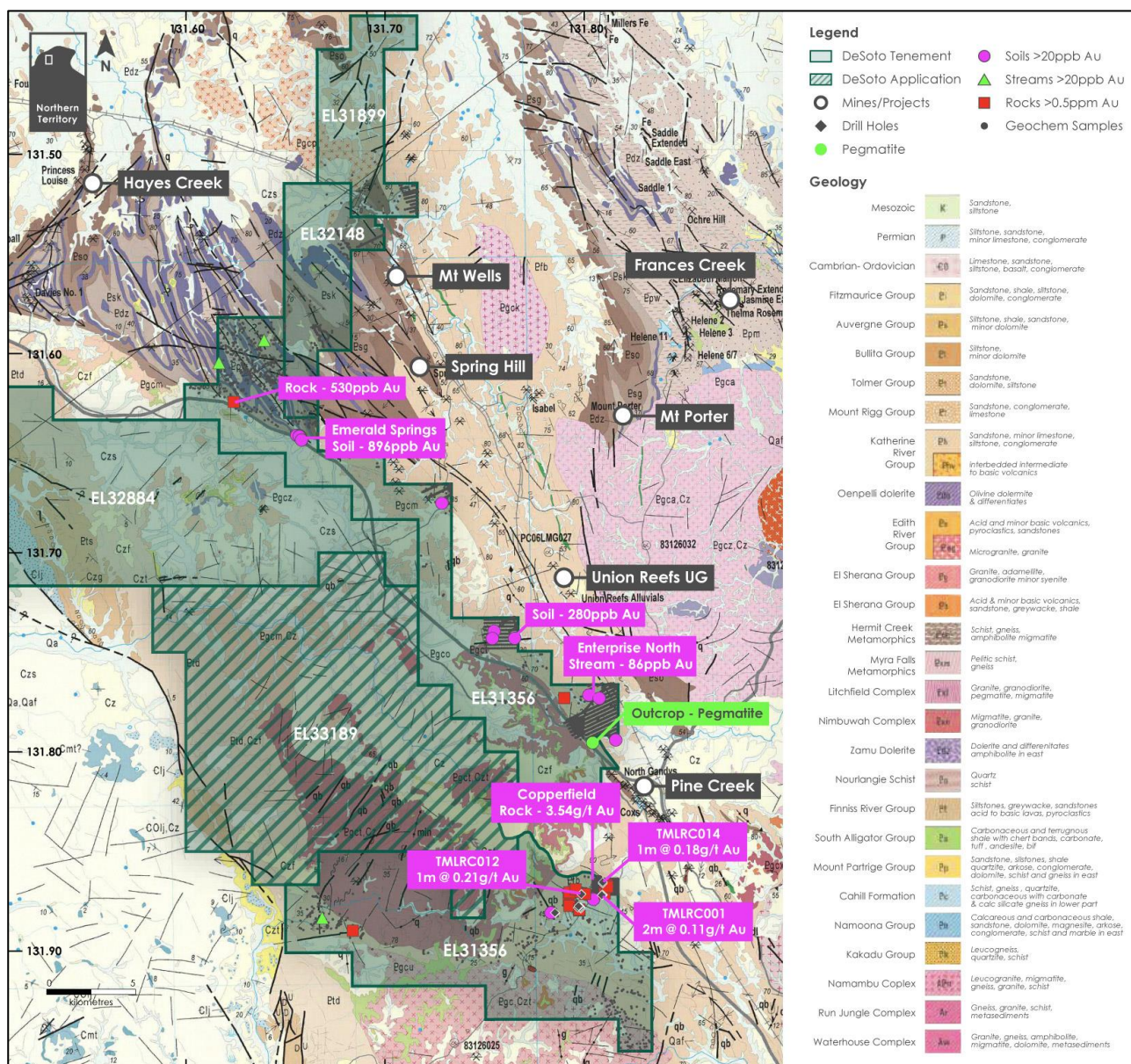


Figure 3.9 Mapped weathered pegmatite at a Stuart Highway road cutting



3.3.3 Lithium exploration

The DeSoto conceptual Lithium Project is located within the Pine Creek Pegmatite Province where pegmatites have been mapped and logged in historic drillholes. Except for Newmont in 2018, most exploration reports do not contain lithium analysis.

As discussed in the previous section, the three DD holes drilled by Newmont in 2018 (KAD0001-KAD0003) had every fifth sample analysed for a suite of 65 elements and oxides, including lithium. A total of 595 samples were analysed for lithium, however, only four of the samples were from rocks identified as granitic pegmatites with a best result of 100 ppm lithium reported in KAD0001 from 471 m.

Although lithium exploration has not been the focus of exploration in the Project area there have been reports of historical anomalous tin-tantalum mineralisation in pegmatites at Barretts within the Tipperary Pegmatite District (CXO, 2022), which also covers the DeSoto licences in part (Figure 3.6).

In April 2022, CXO acquired the Shoobridge Lithium Project from Newmont and is exploring for lithium pegmatites as well as gold and base metals (CXO, 2022). Their Shoobridge Project lies within the Tipperary Pegmatite District and includes both the Shoobridge pegmatite field and the Plateau Point pegmatite field (Figure 3.6). This CXO licence is surrounded by the DeSoto licences where exploration by other companies including HGAL, SGML and Newmont have previously intersected pegmatites that have mostly remained un-assayed for lithium.

The following work summary is summarised from the CXO ASX acquisition announcement (CXO, 2022). Although this work is not in the DeSoto tenure, the pegmatite field it relates to partially covers the DeSoto licences and thus is considered relevant.

In the north of the CXO Shoobridge Project area, tin was discovered at Old Company mine and Barretts workings. The Barretts pegmatite occurs over a strike length of 210 m and thickness of around 10 m, but most of the old shafts, costeans and pits are less than 7 m deep. Barretts is just one of a swarm of pegmatites that occurs over a known strike length of 2.5 km, which tracks an anticlinal fold hinge and fault zone and spatially overlaps with orogenic gold-bearing quartz veins in the area. The area was historically mined for tin and, although the area was drilled extensively for gold by Golden Valley in 1996, the pegmatite intersections were never assayed for lithium (Biddlecombe, 2004).

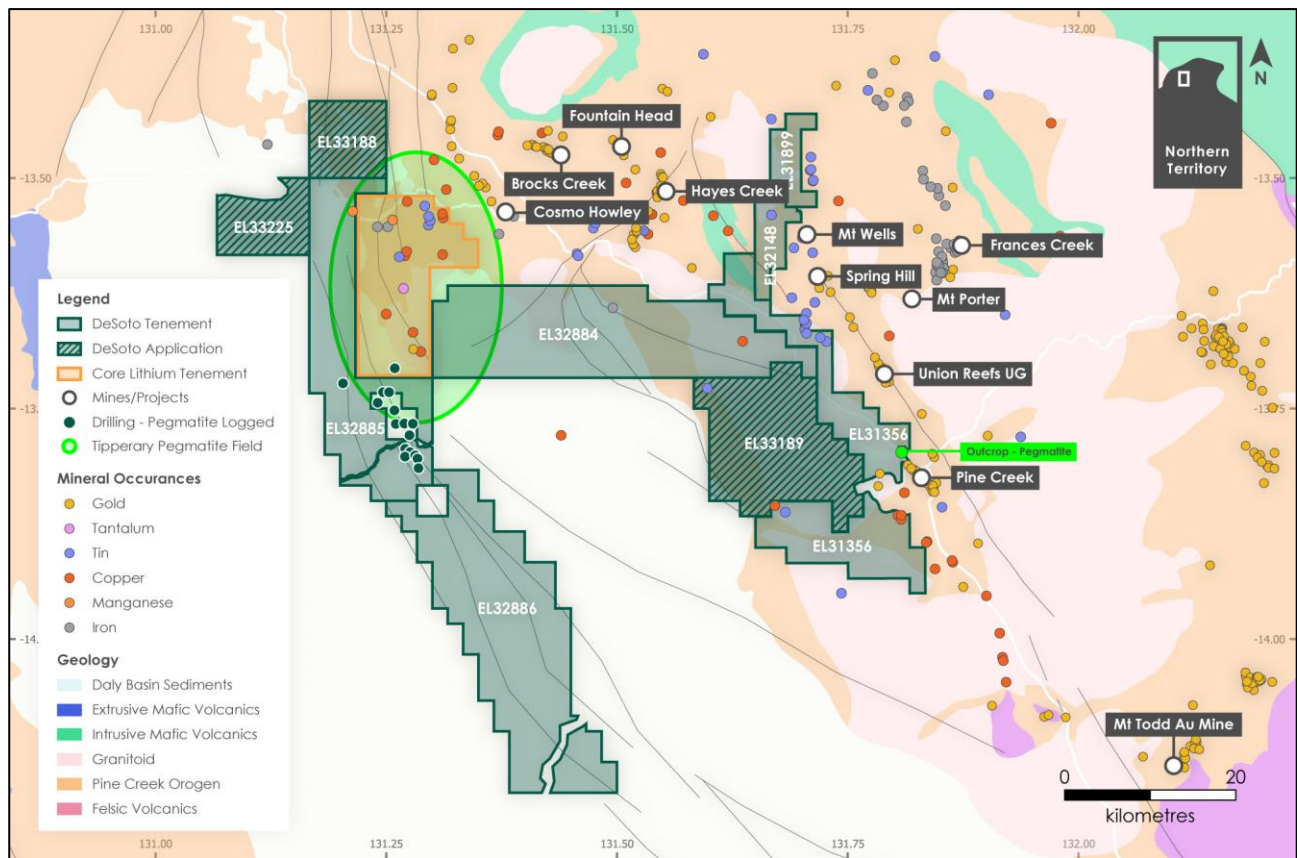
According to Frater (2005), in the years following the initial tin-tantalum discovery at Shoobridge, prospectors operated numerous small diggings on pegmatites in the Bynoe and Shoobridge areas. No record was kept of mining at the time and the locations of old diggings and their production was not reported. Alluvial deposits are associated with many tin-quartz veins and tin-tantalum pegmatites.

In 2001, Julia Corporation Limited (JLA) drilled 40 RC holes on 14 traverses at Barretts and announced a tantalite and tin intersection of 11 m at 270 ppm tantalum pentoxide from 20 m in BARC04 (JLA, 2001a). JLA subsequently announced a preliminary resource of approximately 280,000 t at 125 ppm tantalum pentoxide and 380 ppm cassiterite to 60 m (JLA, 2001b; Bourke, 2012). In 2005, Altura Mining Limited (AJM), which became Haddington Resources Limited (HDN), undertook broad spaced soil sampling in the Barretts area (151 soil samples and 51 pegmatitic rock chip samples). A strong 600 m long by 200 m wide coincident caesium, lithium, rubidium, tin and tantalum soil geochemical anomaly immediately southwest of the Barrett's Prospect was identified. Peak lithium values greater than 500 ppm were reported, however, due to competing Project targets this anomaly was not further investigated (Bourke, 2012).

Within the Shoobridge Project area is the Two Bobs pegmatite discovered by JLA within the Plateau Point pegmatite field (Figure 3.6). This pegmatite occurs as a broad sheet or swarm, interlayered with country rock, over a width of 110 m and strike length of 3.3 km. This pegmatite swarm is likely sourced from the nearby Fenton Granite (CXO, 2022; Frater, 2005). Soils collected over Two Bobs by HDN showed lower tenor grades than Barretts, although lithium, caesium and rubidium can define the pegmatite trend (CXO, 2022).

There has been no recorded lithium exploration within the Fenix Licences (EL31356, EL31899 and EL32148) despite the licences proximity to the Cullen and Prices Springs Granites. A number of tin and tantalum occurrences exist within and proximal to the licences (Figure 3.10). Within EL32148 an alluvial tin occurrence known as Kadiwalker (Northern Territory Geological Survey site ID 5589) is noted, however, there is no information on the resource or past production.

Figure 3.10 Pine Creek Lithium Project partially within the Tipperary Pegmatite Field showing known mineral occurrences (MODAT 2022) and logged pegmatites (source: DeSoto)



3.3.4 Database

A database has been created for the Pine Creek Project using subsets from NTGS digital online datasets as well as a compilation of historic open file reports. Not all drillholes are in the current tenure, as some of the drillholes sit within excised EL areas. The database contains:

- 82 RC drillholes (8,525.5 m) with 36 within the Project area
- 33 DD (13,959.15 m) with 18 within the Project area
- 5 RAB (193 m) within the Project area
- 5,217 soil samples including 2,747 soil samples (NTGS online) and 321 DSG samples (Newmont)
- 691 rock samples including four whole rock samples (NTGS online)
- 854 stream sediment samples including 260 samples (NTGS online).

Drillhole collar details are listed in Appendix 1 with significant gold drill intercepts in Table 3.2 and Figure 3.7 and Figure 3.8.

All drill co-ordinates where known have been converted to MGA1994 Zone 52 datum. All intercepts are downhole and the relationship between the downhole and true width of the intercept is not known. Significant intercepts are reported where gold is greater than 0.25 g/t at Fenton and 0.1 g/t at Fenix. All other intercepts with values below these thresholds are not reported.

Table 3.2 Pine Creek Project area RC/DD drilling significant gold intercepts

HoleID	Type	Company	Depth (m)	Dip	Azimuth (magnetic)	Year	Intercepts	Report
FEND7	DDRC	Homestake Gold	450.2	-70	86	1995	4 m at 0.61 g/t gold from 349 m	CR1996-0454
FEND14	DDRC	Homestake Gold	650.0	-68	260	1996	17 m at 0.71* g/t gold from 610 m incl. 8 m at 1.27 g/t gold from 614 m	CR1998-0006
FEND18	DDRC	Homestake Gold	649.0	-68	260	1997	55 m at 0.89 g/t gold from 418 m incl. 20 m at 1.74 g/t gold from 423 m	CR1998-0006
FENRC43	RC	North Exploration	102.0	-60	90	1994	2 m at 0.25 g/t gold from 60 m	CR1995-0408
KAD0001	DDRM	Newmont Exploration	775.1	-56	79	2018	1 m at 0.4 g/t gold from 756 m	CR2021-0268
KAD0002	DDRM	Newmont Exploration	757.2	-55	84	2018	3 m at 0.27 g/t gold from 628 m	CR2021-0268
TMLRC001	RC	Thundelarra Exploration	155.0	-59	169	2012	2 m at 0.11 g/t gold from 34 m	CR2012-0443
TMLRC012	RC	Thundelarra Exploration	71.0	-60	128	2012	1m @ 0.21 g/t gold from 35 m	CR2012-0443
TMLRC014	RC	Thundelarra Exploration	155.0	-60	58	2012	1 m @ 0.18 g/t gold from 69 m	CR2012-0443

*Note: Significant intercepts for FEND14 is marginally different to the significant intercept reported in previous literature. Significant intercepts reported in Table 3.2 have been calculated by DeSoto directly from assay sheets.

3.4 Exploration potential

3.4.1 Gold

At the regional scale, Pine Creek gold mineralisation is associated with regional structures such as the PCSZ and the lesser explored sub-parallel FSZ. Gold mineralisation is hosted within the Proterozoic sedimentary Koolpin Formation, the basal unit of the South Alligator Group, and is proximal to the granites of the Cullen Supersuite. While most of the recorded mineralisation at Pine Creek is associated with the PCSZ which hosts Cosmo Howley (2 Moz+ gold) and Union Reefs (2.1 Moz+ gold) the FSZ was not seriously explored until regional programmes were carried out in the 1990s. As such, there are no recorded gold Mineral Resources or historic gold workings over the FSZ.

The DeSoto Pine Creek Project is an early-stage gold exploration project over both the western (Fenton) and eastern licences (Fenix). The Fenton tenure is located over the underexplored FSZ that covers approximately 55 km of strike within the DeSoto tenure. Previous drilling by HGAL over the tenure returned gold intersections confirming the presence of favourable Proterozoic Koolpin Formation beneath Cambrian cover sequences (~150 m thick) and validated the conceptual exploration model that the FSZ is analogous to the PCSZ confirming the potential to host significant gold mineralisation.

The Fenix tenure is located proximal and partially over the PCSZ and has areas of previously defined gold anomalism by soil and stream sampling which remain untested. Gold mineralisation identified within the Copperfield area within poly-metallic quartz vein sets remains open for drill testing.

DeSoto has identified several gold targets (Figure 3.11) that warrant follow-up exploration including:

1. An area west of FEND14 where elevated gold, silver and molybdenum multi-element results along with Hylogger alteration studies are indicative of proximity to the core of a gold mineralised system.
2. The 2018 Newmont propriety DSG mineralisation score anomalies (>2.5 to 3.6) confirmed the anomalous area identified in 1. (above) and identified other areas, under transported cover that are potentially mineralised, which were not further investigated.
3. An area of the Burrundie Dome in the northern portion of EL31356 where there is a stream, soil and rock chip gold anomaly in a favourable stratigraphic and structural setting.

In Snowden Optiro's opinion, DeSoto's Pine Creek Project is prospective for gold mineralisation given the presence of gold mineralisation that has already been demonstrated by drilling (FEND18). The limited exploration within the larger Project area has shown favourable indications for a large gold mineralisation system. Furthermore, the Project area is well located with respect to existing infrastructure (Pine Creek milling facility).

Legend

- DeSoto Tenement
- DeSoto Application
- Mines/Projects
- Pegmatite Field
- Orogenic Gold Targets
- Conceptual Lithium Targets
- Drilling - Pegmatite Logged
- Soils >20ppb Au
- Streams >20ppb Au
- Rocks >1ppm Au
- Drill holes

Mineral Occurrences

- Gold
- Tantalum
- Tin
- Copper
- Manganese
- Iron

Geology

- Daly Basin Sediments
- Extrusive Mafic Volcanics
- Intrusive Mafic Volcanics
- Granitoid
- Pine Creek Orogen
- Felsic Volcanics

Map Labels:

- EL33188
- EL33225
- Fountain Head
- Brocks Creek
- Cosmo Howley
- Hayes Creek
- Rock - 530ppb Au
- MT Wells
- Spring Hill
- Frances Creek
- MT Porter
- Union Reefs UG
- Soil - 280ppb Au
- Enterprise North Stream - 86ppb Au
- Outcrop - Pegmatite
- Pine Creek
- Copperfield Rock - 3.54g/t Au
- EL32884
- EL32885
- FEND7 4m @ 0.61g/t Au
- FENRC43 2m @ 0.25g/t Au
- EL32886
- FENTON SHEAR ZONE
- FEND 14 17m @ 0.71g/t Au incl. 8m @ 1.27g/t
- FEND 18 55m @ 0.89g/t Au incl. 20m @ 1.78g/t
- EL31356
- EL33189
- EL33156
- MT Todd Au Mine

Scale: 0 to 20 kilometres

North Arrow: N

Location: Northern Territory

The NT is an emerging lithium producer, with pegmatite-hosted lithium resources defined at CXO's Finnis Project in the Bynoe pegmatite field. As such, this has driven interest in exploration for lithium in the Pine Creek Pegmatite Province in the last five years, an area that has previously been overlooked for lithium mineralisation opportunities.

The Bynoe Pegmatite Field, located approximately 100 km to the northwest of Pine Creek, is a rare-element pegmatite field, being 70 km long and 15 km wide. Over 100 rare-element pegmatites are known to occur within the field either as clusters, in groups or as single bodies. The Bynoe pegmatites are also hosted in metasedimentary rocks of the Burrell Creek Formation and Welltree Metamorphics, and are proximal to the Two Sisters Granite, part of the Cullen Supersuite. Mining operations within the Bynoe Pegmatite Field historically exploited mainly surface tin deposits created by the weathering of the pegmatites. Higher grades of tin were localised in the shallow regolith, leading to over 100 pegmatites being worked in the Bynoe field (Frater, 2005).

The Mt Finnis mine, located in the Bynoe Pegmatite Field, was listed as NT's largest producer of tin and tantalum in the NT and in 2017 CXO commenced systematically exploring this area for lithium. CXO has subsequently defined NT's maiden JORC 2012 lithium Mineral Resource of 14.7 Mt at 1.32% lithium oxide at the Finnis Lithium Project (Figure 3.6). Lithium production is expected by the end of 2022 (CXO, 2021). CXO has recently acquired ground adjacent to the DeSoto licences in the Shoobridge area and is now exploring for lithium in the Tipperary Field.

The Pine Creek area has only recently become the focus of lithium exploration in the Tipperary pegmatite district. DeSoto's conceptual lithium Project is partly within the Tipperary pegmatite district and therefore Snowden Optiro considers this Project underexplored for lithium with a lack of sampling in proximity to known parental source granites. In addition, logged pegmatite occurrences in historical drilling are an obvious initial target for lithium assessment, as are the multiple Cullen Granites located throughout the Project area.

Importantly, the pegmatites in the Tipperary pegmatite district are considered analogous to those in the Bynoe pegmatite field and are therefore prospective for lithium. In addition, the intersection of pegmatites in deep drilling by companies such as HGAL, SGML and Newmont offers encouragement that the rare-element rich pegmatite district extends into the DeSoto licences at Pine Creek.

The occurrence of cassiterite and tantalite in stream gravel samples from EL31899 and EL32148 (Milligan, 1987), suggests these licences have the potential to host lithium, and are worthy of follow-up lithium exploration.

It is Snowden Optiro's view that the lack of previous exploration focused on lithium mineralisation at the Pine Creek Project provides a significant opportunity for DeSoto.

4 DESOTO WORK PROGRAMME

DeSoto has developed an exploration budget, as summarised in Table 4.1 (assuming minimum subscription of A\$8 million) and Table 4.2 (assuming maximum subscription of A\$12 million). Expenditure is based on staged exploration on its granted Exploration Licences. Should the three Exploration Licence applications be granted during the two year programme, the same exploration program described below will be expanded to cover these application areas and include additional Aeromagnetic survey coverage, as summarised in Table 4.3 (assuming a minimum subscription of A\$8 million) and Table 4.4 (assuming maximum subscription of A\$12 million).

The first phase of exploration will consist of re-logging and sampling of existing core holes for lithium pegmatites, reconnaissance mapping for gold and lithium including soil, stream and rock chip sampling, and ground geophysical surveys. The field programmes will assess the potential of the historically mapped and drilled pegmatites for lithium mineralisation, along with a review of the existing tin and tantalum mineral occurrences in the area. The three gold geochemical anomalies currently identified at Fenix will be followed-up with infill and extensional systematic geochemical sampling.

The intention for the first phase of exploration is to develop an integrated geological and structural model for the lithium and gold projects to generate drill targets. The second phase of exploration will consist of reconnaissance air core (AC) and RC drilling to test the grade, thickness, and depth extensions of the targets. If results justify it, a systematic drilling programme will follow to define a Mineral Resource.

Snowden Optiro has reviewed the proposed two-year budget and considers it appropriate and reasonable for the mineralisation styles and the stage of exploration. The proposed exploration budget exceeds the minimum required expenditure commitments for the Pine Creek Project licences and is within the Company's financial capacity given a minimum capital raising of A\$8 million.

Table 4.1 Exploration budget - A\$8.0 M minimum raise (source: DeSoto)

Activity	Year 1 (A\$)	Year 2 (A\$)	Total (A\$)
Aeromagnetics survey	333,000		333,000
Ground geophysics (EM)	40,000	16,610	56,610
Mapping and sampling	60,000	23,250	83,250
Diamond drilling (Phase 1 and 2)	832,500	832,500	1,665,000
RC drilling	650,000	682,000	1,332,000
Regional AC drilling	110,000	189,700	299,700
Logistics/camp/fuel/mob-demobilisation	75,000	44,880	119,880
Geochemistry and metallurgical testing		133,200	133,200
Field activity logistics	60,000	106,500	166,500
Total	2,160,500	2,028,640	4,189,140

Table 4.2 Exploration budget - A\$12.0 M maximum raise (source: DeSoto)

Activity	Year 1 (A\$)	Year 2 (A\$)	Total (A\$)
Aeromagnetics survey	500,000		500,000
Ground geophysics (EM)	40,000	45,000	85,000
Mapping and sampling	60,000	65,000	125,000
Diamond drilling (Phase 1 and 2)	1,000,000	1,500,000	2,500,000
RC drilling	1,000,000	1,000,000	2,000,000
Regional AC drilling	110,000	340,000	450,000
Logistics/camp/fuel/mob-demobilisation	75,000	105,000	180,000
Geochemistry and metallurgical testing		200,000	200,000
Field activity logistics	60,000	190,000	250,000
Total	2,845,000	3,445,000	6,290,000

Table 4.3 Exploration budget – If applications granted - A\$8.0 M minimum raise (source: DeSoto)

Activity	Year 1 (A\$)	Year 2 (A\$)	Total (A\$)
Aeromagnetics survey	452,880		452,880
Ground geophysics (EM)	40,000	16,610	56,610
Mapping and sampling	60,000	23,250	83,250
Diamond drilling (Phase 1 and 2)	832,500	832,500	1,665,000
RC drilling	650,000	682,000	1,332,000
Regional AC drilling	110,000	189,700	299,700
Logistics/camp/fuel/mob-demobilisation	75,000	44,880	119,880
Geochemistry and metallurgical testing		133,200	133,200
Field activity logistics	60,000	106,500	166,500
Total	2,280,380	2,028,640	4,309,020

Table 4.4 Exploration budget – If applications granted - A\$12.0 M maximum raise (source: DeSoto)

Activity	Year 1 (A\$)	Year 2 (A\$)	Total (A\$)
Aeromagnetics survey	680,000		680,000
Ground geophysics (EM)	40,000	45,000	85,000
Mapping and sampling	60,000	65,000	125,000
Diamond drilling (Phase 1 and 2)	1,000,000	1,500,000	2,500,000
RC drilling	1,000,000	1,000,000	2,000,000
Regional AC drilling	110,000	340,000	450,000
Logistics/camp/fuel/mob-demobilisation	75,000	105,000	180,000
Geochemistry and metallurgical testing		200,000	200,000
Field activity logistics	60,000	190,000	250,000
Total	3,025,000	3,445,000	6,470,000

5 DECLARATIONS BY SNOWDEN OPTIRO

5.1 Independence

Snowden Optiro is an independent consulting organisation which provides a range of services related to the minerals industry including, in this case, independent geological services, but also resource evaluation, corporate advisory, mining engineering, mine design, scheduling, audit, due diligence and risk assessment assistance. The principal office of Snowden Optiro is at Level 19, 140 St Georges Tce, Perth, WA, and Snowden Optiro's staff work on a variety of projects across a range of commodities worldwide.

This Report has been prepared independently and in accordance with the VALMIN and JORC codes and in compliance with ASIC Regulatory Guide 112. The author and reviewer do not hold any interest in DeSoto, their associated parties, or in any of the mineral properties which are the subject of this Report. Fees for the preparation of this Report are charged at Snowden Optiro's standard rates, whilst expenses are reimbursed at cost. Payment of fees and expenses is in no way contingent upon the conclusions drawn in this Report. Snowden Optiro will charge DeSoto fees of approximately A\$22,900 for the preparation of this Report. Snowden Optiro has not had any material prior association with either DeSoto or the mineral assets being assessed.

5.2 Qualifications

The principal person responsible for the preparation of this Report, and Competent Person is Ms Justine Tracey (Managing Consultant). This report was reviewed by Mrs Christine Standing (Executive Consultant). Both Ms Tracey and Mrs Standing are employed by Snowden Optiro.

Ms Justine Tracey, BSc (Hons) Geology, MSc (Geostatistics), MAusIMM (CP), is a geologist with over 22 years' experience in mining geology, exploration, resource definition, mining feasibility studies, estimation, reconciliation and consulting in gold, iron ore, base metal, and copper deposits principally in Australia. Ms Tracey has previously acted as a Competent Person and Independent Expert with expertise in geostatistics, grade control, reconciliation, and quality assurance and quality control.

Mrs Christine Standing, BSc (Hons) Geology, MSc (Min Econs), MAusIMM, MAIG, is a geologist with over 40 years' worldwide experience in the mining industry. She has six years' experience as an exploration geologist in WA and over 35 years' experience as a consultant specialising in resource estimation, reconciliation, project management and statutory and Competent Persons' reporting on worldwide projects for a range of commodities. Mrs Standing has acted as a Qualified Person and Competent Person for gold, silver, copper, mineral sands, nickel, chromium, lithium, and PGEs.

5.3 Competent Person's Statement

The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Ms Justine Tracey, a Competent Person who is a Member and Chartered Professional of the Australasian Institute of Mining and Metallurgy. Ms Justine Tracey is a full-time employee of Snowden Optiro.

Ms Justine Tracey has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Ms Justine Tracey consents to the inclusion in the Report of the matters based on her information in the form and context in which it appears.

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7 GLOSSARY OF ABBREVIATIONS AND TECHNICAL TERMS

7.1 Abbreviations

Abbreviation	Description
%	percentage
°	degrees
°C	degrees Celsius
A\$	Australian dollars
AC	air core
Ag	silver
AGSO	Australian Geoscience Survey Organisation
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
Au	gold
AusIMM	Australasian Institute of Mining and Metallurgy
CXO	Core Lithium Limited
DD	Diamond Drillhole
DDRC	Diamond Drillhole with Reverse Circulation pre-collar
DDRM	Diamond Drillhole with Rotary Mud pre-collar
DeSoto	DeSoto Resources Limited (or “the Company”)
DSG	Deep Sensing Geochemistry
EL	Exploration Licence
ELA	Exploration Licence Application
FSZ	Fenton Shear Zone
g/t	grams per tonne
Geopeko	Geopeko Wallsend Operations Ltd
HDN	Haddington Resources Limited
HGAL	Homestake Gold of Australia
IP	Induced Polarisation
JLA	Julia Corporation Ltd
km, km ²	kilometres, square kilometres
koz	thousand ounces
kt	thousand tonnes
LCT	Lithium-Caesium-Tantalum
LIT	Lithium Australia Limited
LPM	Lithium Plus Minerals
m, m ² , m ³	metres, square metres, cubic metres
Ma	million years ago
Mangusta	Mangusta Minerals Pty Ltd
MMI	Mobile Metal Ion
Moz	million ounces
Mt	million tonnes
Newmont	Newmont Exploration Pty Ltd
NT	Northern Territory
NTA	Native Title Act 1993
NTG	Northern Territory Government
NTGS	Northern Territory Geological Services

Abbreviation	Description
oz	ounces
PCO	Pine Creek Origin
PCPP	Pine Creek Pegmatite Province
PCSZ	Pine Creek Shear Zone
PGE	Platinum Group Elements
ppm	parts per million
ppb	parts per billion
RC	Reverse Circulation
REE	Rare Earth Elements
SGML	St George Mining Ltd
Sn-Ta	Tin-Tantalum
STRIKE	Spatial Territory Resource Information Kit for Exploration
TMI	Total Magnetic Intensity

7.2 Technical terms

Term	Explanation
actinolite	A metamorphic ferromagnesian mineral.
aeromagnetic	An airborne magnetic geophysical survey.
airborne magnetic survey	A measurement of the magnetic susceptibility of rocks, measured from a plane in flight.
air core drilling	A method that uses blades to bore a hole into unconsolidated ground. The rods are hollow and contain an inner tube which sits inside the hollow outer rod barrel. The drill cuttings are removed by injection of compressed air into the hole and brought back to the surface up the inner tube.
albite	An alkali feldspar mineral. It is the sodium end member of the plagioclase solid solution series.
alluvial	An accumulation of alluvium (sediment) in the bed or former bed of a river.
alteration	A change in mineralogical composition of a rock through reactions with hydrothermal fluids, temperature, or pressure changes.
anticline	A fold shaped like an arch.
Archean	Era of the geological time scale within the Precambrian aeon containing rocks greater than 2,500 million years old.
arsenopyrite	Most common arsenic mineral and principal ore of arsenic.
banded iron formation (BIF)	Iron formation that shows banding, generally of iron-rich minerals and chert or fine-grained quartz.
basalt	A fine-grained igneous rock consisting mostly of plagioclase feldspar and pyroxene.
base metals	Non-precious metals including copper, lead, nickel, or zinc.
basin	A depression or dip in the earth's surface.
batolith	A large emplacement of igneous intrusive (also called plutonic) rock that forms from cooled magma deep in the earth's crust. Batholiths are almost always made of felsic or intermediate rock types such as granite.
Bioregion	An ecologically and geographically defined area that is smaller than a biogeographical realm but larger than an ecoregion or ecosystem.
biotite	Also referred to as 'dark mica'. A common sheet silicate within the mica group, with the approximate chemical formula $K(Mg, Fe)_3AlSi_3O_{10}(F, OH)_2$.
bismuthinite	(Bi_2S_3) mineral consisting of tin sulphide and is an important ore for bismuth.
Cambrian	First geological period of the Palaeozoic Era. The Cambrian lasted from 541 Ma to the beginning of the Ordovician Period at 485 Ma.

Term	Explanation
cassiterite	The major ore of tin (SnO_2).
chalcopyrite	Copper ore (CuFeS_2).
chlorite	A group of mostly green minerals of varying composition often found as alteration products of ferromagnesian minerals.
costean	A small pit or trench for the purpose of exposing the outcrop of a mineral deposit and determining its course.
covellite	A copper sulphide mineral (CuS).
craton	A stable area of continental crust that has not undergone much plate tectonic or orogenic activity for a long period.
CSIRO HyLogger	Core scanner that uses visible, near infrared and thermal infrared spectroscopy to identify and characterise minerals at a spatial resolution of one centimetre. Developed by CSIRO to provide an objective logging system to assist geologists to interpret core.
diamond drilling	Drilling method which produces a cylindrical core of rock by drilling with a diamond tipped bit.
disseminated	An ore deposit consisting of fine particles of the ore mineral dispersed through the enclosing rock.
dolerite	Basaltic rocks which are comparatively coarse grained.
felsic	Silicate minerals, magmas, and rocks which are enriched in the lighter elements such as silica, oxygen, aluminium, sodium, and potassium.
ferruginous	Containing iron oxides or rust.
galena	Natural mineral form of lead (PbS).
garnet	A group of silicate minerals that have been used since the Bronze Age as gemstones and abrasives ($\text{Fe}_3\text{Al}_2\text{Si}_3\text{O}_{12}$).
geophysical survey	A survey that measures the physical properties of rock formations, commonly magnetism, specific gravity, electrical conductivity and radioactivity.
goethite	A widespread iron oxide mineral [$\alpha\text{-FeO}(\text{OH})$] and the most common ingredient of iron rust.
gneiss	A common and widely distributed type of rock formed by high-grade regional metamorphic processes from pre-existing formations that were originally either igneous or sedimentary rocks. Gneissic rocks are coarsely foliated and largely recrystallised.
granite	A coarse grained intrusive felsic igneous rock.
granitic intrusion	Granite rock which has been emplaced into the earth's crust.
graphite	A mineralised form of carbon.
greenschist	Assemblage of minerals formed during regional metamorphism.
greywacke	A variety of sandstone generally characterised by its hardness, dark colour, and poorly-sorted, angular grains of quartz, feldspar, and small rock fragments set in a compact, clay-fine matrix.
hematite	An iron oxide mineral.
induced polarisation geophysical survey	Survey over an area involving the application of an electric or magnetic field and measurement of the decay of voltage in the earth when the field is switched off.
intrusions	The emplacement of magma or a plastic solid into pre-existing rock.
intrusive	Igneous rock formed of magma that consolidates beneath the earth's surface.
JORC Code	The JORC Code provides minimum standards for public reporting to ensure that investors and their advisers have all the information they would reasonably require for forming a reliable opinion on the results and estimates being reported. The current version is dated 2012.
k-feldspar	Potassium feldspar. Widespread and common in a wide variety of igneous and metamorphic rocks and in some sedimentary rocks.
limestone	A rock composed mainly of calcium carbonate or magnesium carbonate or combinations thereof.
lithology	The study and description of rocks, including their mineral composition and texture.

Term	Explanation
mafic	Silicate minerals, magmas, and volcanic and intrusive igneous rocks that have relatively high concentrations of the heavier and darker minerals.
magmatic	Related to or produced from magma.
magnetic anomaly (high/low)	Magnetic signatures different from the background, made up of a high and a low (dipole) compared to the average field.
magnetic geophysical survey	Survey over an area involving measurements of magnetic intensity of rocks in response to the earth's magnetic field. Different rock compositions show varying degrees of magnetic intensity, which can be used to infer changes in geology.
marcasite	Iron sulphide (FeS_2).
metamorphic	The process of metamorphism or its results.
mica	A group of sheet silicate minerals that occurs widely in igneous, metamorphic and sedimentary rocks.
Mineral Resource	'A 'Mineral Resource' is a concentration or occurrence of material of intrinsic economic interest in or on the earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.' (JORC 2012).
mineralisation	The process by which a mineral or minerals are introduced into a rock, resulting in a valuable deposit.
mudstone	A detrital sedimentary rock composed of clay minerals similar to shale but lacking the well-developed bedding planes.
orogenic	The result of a collision between two landmasses.
overburden	The rocks and sediments overlying a certain horizon.
Paleoproterozoic	The first of the three sub-divisions (eras) of the Proterozoic occurring between 2,500 Ma and 1,600 Ma (million years ago).
pegmatite	An igneous rock, formed by slow crystallisation at high temperature and pressure at depth, and exhibiting large interlocking crystals usually greater than 2.5 cm.
phosphate	A phosphate, an inorganic chemical, is a salt of phosphoric acid.
potash	Potassium bearing minerals or compounds.
Proterozoic	Era of the geological time scale within the Precambrian eon containing rocks of approximately 1,000 – 2,500 million years old.
pyrite	Iron disulphide, (FeS_2).
pyrrhotite	Composition close to that of iron sulphide, but deficient in iron. Some pyrrhotite is magnetic, important ore of nickel deposits.
quartz	Crystalline silica (SiO_2).
regolith	A region of loose unconsolidated rock and dust that sits atop a layer of bedrock.
reverse circulation drilling	Drilling method that uses compressed air and a hammer bit to produce rock chips.
saddle reef	A mineral deposit associated with the crest of an anticlinal fold and following the bedding planes.
sandstone	A sedimentary rock of sand size particles.
savannah	Flat grassland in a tropical or subtropical region.
sedimentary	Rock forming process where material is derived from pre-existing rocks by weathering and erosion.
sediments	Loose, unconsolidated deposit of debris that accumulates on the Earth's surface.
shale	A detrital sedimentary rock composed of clay minerals with a well-marked bedding plane usually due to the alignment of the clay minerals.
shear	A fault system.
silica	Most commonly quartz (SiO_2).

Term	Explanation
siltstone	A detrital sedimentary rock composed of clay minerals similar to mudstone but with mostly silt-grade material (1/16 to 1/256) mm.
sphalerite	The main ore mineral of zinc (Zn,Fe)S.
stockwork	A network of veins.
strike	Geological measurement – the direction of bearing of bedding or structure in the horizontal plane.
strike-slip	Faults are vertical (or nearly vertical) fractures where the blocks have mostly moved horizontally.
sulphide	Minerals consisting of a chemical combination of sulphur with a metal. Also refers to fresh or unoxidised material.
tantalite	The mineral group tantalite [(Fe,Mn)Ta ₂ O ₆] is the primary source of the chemical element tantalum, a corrosion (heat and acid) resistant metal.
tantalum pentoxide	Inorganic compound (Ta ₂ O ₅).
tetrahedrite	Tetrahedrite is a copper antimony sulfosalt mineral ((Cu,Fe) ₁₂ Sb ₄ S ₁₃).
thrust	A contractional fault that accommodates horizontal shortening of a datum surface, normally bedding in upper crustal rocks or a regional foliation surface in more highly metamorphosed rocks.
total magnetic intensity (TMI)	Total magnetic intensity (TMI) data measures variations in the intensity of the Earth's magnetic field caused by the contrasting content of rock forming minerals in the Earth's crust.
unconformity	A break in the sequence of strata in an area that represents a period of time during which no sediment was deposited.
VALMIN Code	The Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets, 2015 Edition. The VALMIN Code provides a set of fundamental principles (Competence, Materiality and Transparency), mandatory requirements and supporting recommendations accepted as representing good professional practice to assist in the preparation of relevant Public Reports on any Technical Assessment or Valuation of Mineral Assets. It is a companion to the JORC Code.
volcanic	An igneous rock of volcanic origin.
volcaniclastic	All volcanic particles regardless of their origin.



Appendix A

Drillhole collar details – Pine Creek Project



Hole ID	Type	Datum	East	North	RL	Azimuth	Hole depth (m)	Dip	End date	Company	Collar on DeSoto tenure
FEND1	DDRC	MGA94_z52	743733	8483611	96	265	303	-70	18/11/1993	North Exploration	Proximal
FEND2	DDRC	MGA94_z52	744833	8483611	90	265	300	-70	24/11/1993	North Exploration	Proximal
FEND3	DDRC	MGA94_z52	745033	8483161	92	45	207.8	-70	25/10/1994	North Exploration	Proximal
FEND4	DDRC	MGA94_z52	742158	8484161	98	90	194.8	-70	5/11/1994	North Exploration	Proximal
FEND5	DDRC	MGA94_z52	742033	8485661	107	270	279.2	-70	11/11/1994	North Exploration	Proximal
FEND6	DDRC	MGA94_z52	744615	8483619	89	86	405.4	-70	14/10/1995	Homestake Gold	Proximal
FEND7	DDRC	MGA94_z52	743279	8480752	80	86	450.2	-70	25/10/1995	Homestake Gold	Yes
FEND8	DDRC	MGA94_z52	743959	8480793	80	267.5	799.8	-68.5	30/11/1995	Homestake Gold	Yes
FEND9	DDRC	MGA94_z52	738558	8481911	75	270	143.6	-76		Homestake Gold	Yes
FEND9A	DDRC	MGA94_z52	738558	8481909	75	270	725.6	-70		Homestake Gold	Yes
FEND10	DDRC	MGA94_z52	744712	8477003	60	260	511.4	-68.5	27/08/1996	Homestake Gold	Proximal
FEND11	DDRC	MGA94_z52	744549	8478597	71.7	264.4	537.1	-68.5		Homestake Gold	Proximal
FEND12	DDRC	MGA94_z52	745734	8477024	60	260	698.2	-70	21/09/1996	Homestake Gold	Proximal
FEND13	DDRC	MGA94_z52	746650	8476955	60	260	443.8	-68.5	3/10/1996	Homestake Gold	Proximal
FEND14	DDRC	MGA94_z52	747043	8472952	51	260	650	-68	20/10/1996	Homestake Gold	Yes
FEND15	DDRC	MGA94_z52	746324	8475514	47.8	264.4	496.4	-68		Homestake Gold	Proximal
FEND16	DDRC	MGA94_z52	742653	8479526	72	80	605	-68.5	3/06/1997	Homestake Gold	Proximal
FEND17	DDRC	MGA94_z52	745731	8472952	51.4	260	599.65	-68.5	22/06/1997	Homestake Gold	Yes
FEND18	DDRC	MGA94_z52	747273	8471702	59	260	649	-68	25/06/1997	Homestake Gold	Yes
FEND19	DDRC	MGA94_z52	746958	8473142	55	260	621	-68	1/08/1997	Homestake Gold	Yes
FEND20	RC	MGA94_z52	745841	8473895	51.5	235	36	-68	3/08/1997	Homestake Gold	Yes
FEND20A	DDRC	MGA94_z52	745837	8473893	51.5	235	605.6	-68	30/08/1997	Homestake Gold	Yes
FEND21	RC	MGA94_z52	746319	8473560	53	236	45	-65	4/08/1997	Homestake Gold	Yes
FEND21A	DDRC	MGA94_z52	746324	8473560	53	236	356.85	-65	19/08/1997	Homestake Gold	Yes
FEND22	DDRC	MGA94_z52	747293	8472302	56	248	221.65	-65	1/09/1997	Homestake Gold	Yes
FENRC1	RC	MGA94_z52	744237	8483616	95	265	99	-75	9/09/1992	North Exploration	Proximal
FENRC2	RC	MGA94_z52	743393	8483601	97	265	99	-75	10/09/1992	North Exploration	Proximal
FENRC3	RC	MGA94_z52	743733	8483611	96	265	81	-75	10/09/1992	North Exploration	Proximal
FENRC4	RC	MGA94_z52	744783	8483611	90	265	99	-70	23/08/1993	North Exploration	Proximal

FENRC5	RC	MGA94_z52	744733	8483611	91	265	99	-70	24/08/1993	North Exploration	Proximal
FENRC6	RC	MGA94_z52	743533	8483611	97	265	99	-70	25/08/1993	North Exploration	Proximal
FENRC7	RC	MGA94_z52	743583	8483611	97	265	99	-70	26/08/1993	North Exploration	Proximal
FENRC8	RC	MGA94_z52	743683	8483611	96	265	99	-70	28/08/1993	North Exploration	Proximal
FENRC9	RC	MGA94_z52	743733	8483611	96	265	99	-70	28/08/1993	North Exploration	Proximal
FENRC10	RC	MGA94_z52	743833	8483611	96	265	99	-70	29/08/1993	North Exploration	Proximal
FENRC11	RC	MGA94_z52	743883	8483611	96	265	99	-70	30/08/1993	North Exploration	Proximal
FENRC12	RC	MGA94_z52	743933	8483611	96	265	99	-70	31/08/1993	North Exploration	Proximal
FENRC13	RC	MGA94_z52	743533	8483961	96	265	99	-70	1/09/1993	North Exploration	Proximal
FENRC14	RC	MGA94_z52	743633	8483961	96	265	99	-70	1/09/1993	North Exploration	Proximal
FENRC15	RC	MGA94_z52	743733	8483961	95	265	95	-70	2/09/1993	North Exploration	Proximal
FENRC16	RC	MGA94_z52	743833	8483961	95	265	99	-70	3/09/1993	North Exploration	Proximal
FENRC17	RC	MGA94_z52	743583	8483961	96	265	121	-70	4/09/1993	North Exploration	Proximal
FENRC18	RC	MGA94_z52	741733	8483661	104	265	99	-70	4/09/1993	North Exploration	Proximal
FENRC19	RC	MGA94_z52	741833	8485661	105	265	99	-70	5/09/1993	North Exploration	Proximal
FENRC20	RC	MGA94_z52	744933	8477261	66	265	96	-70	6/09/1993	North Exploration	Proximal
FENRC21	RC	MGA94_z52	743133	8484961	100	270	120	-60	9/07/1994	North Exploration	Proximal
FENRC22	RC	MGA94_z52	743183	8484961	100	270	200	-60	10/07/1994	North Exploration	Proximal
FENRC23	RC	MGA94_z52	743483	8484961	98	270	120	-60	11/07/1994	North Exploration	Proximal
FENRC24	RC	MGA94_z52	743633	8484961	99	270	74	-60	12/07/1994	North Exploration	Proximal
FENRC25	RC	MGA94_z52	743733	8484961	98	270	120	-60	14/07/1994	North Exploration	Proximal
FENRC26	RC	MGA94_z52	743668	8485141	100	270	120	-60	17/07/1994	North Exploration	Proximal
FENRC27	RC	MGA94_z52	743383	8485661	99	270	110	-60	19/07/1994	North Exploration	Proximal
FENRC28	RC	MGA94_z52	743233	8484661	99	270	150	-70	20/07/1994	North Exploration	Proximal
FENRC29	RC	MGA94_z52	743383	8484161	97	270	150	-70	22/07/1994	North Exploration	Proximal
FENRC30	RC	MGA94_z52	743433	8484161	97	270	150	-70	22/07/1994	North Exploration	Proximal
FENRC31	RC	MGA94_z52	744433	8484161	97	90	150	-60	26/07/1994	North Exploration	Proximal
FENRC32	RC	MGA94_z52	743633	8484161	96	90	150	-60	27/07/1994	North Exploration	Proximal
FENRC33	RC	MGA94_z52	744843	8483211	92	45	150	-60	28/07/1994	North Exploration	Proximal
FENRC34	RC	MGA94_z52	744608	8482661	93	90	150	-60	29/07/1994	North Exploration	Proximal
FENRC35	RC	MGA94_z52	743883	8483161	96	270	144	-60	30/07/1994	North Exploration	Proximal

FENRC36	RC	MGA94_z52	744933	8483161	92	70	150	-60	31/07/1994	North Exploration	Proximal
FENRC37	RC	MGA94_z52	741883	8485661	105	270	166	-70	1/08/1994	North Exploration	Proximal
FENRC38	RC	MGA94_z52	743283	8484461	98	270	150	-70	2/08/1994	North Exploration	Proximal
FENRC39	RC	MGA94_z52	743133	8484661	100	90	150	-60	2/08/1994	North Exploration	Proximal
FENRC40	RC	MGA94_z52	743533	8485161	100	90	150	-60	3/08/1994	North Exploration	Proximal
FENRC41	RC	MGA94_z52	744386	8483161	94	270	94	-60	17/10/1994	North Exploration	Proximal
FENRC42	RC	MGA94_z52	743216	8483161	96	270	104	-60	22/10/1994	North Exploration	Proximal
FENRC43	RC	MGA94_z52	743483	8482161	93	90	102	-60	23/10/1994	North Exploration	Yes
FENRC44	RC	MGA94_z52	742083	8484961	100	270	150	-70	24/10/1994	North Exploration	Proximal
FENRC45	RC	MGA94_z52	742033	8484161	98	90	76	-80	25/10/1994	North Exploration	Proximal
FENRC46	RC	MGA94_z52	747883	8473962	50	0	150	-90		Homestake Gold	Yes
FENRC47	RC	MGA94_z52	747388	8473827	50	0	147	-90		Homestake Gold	Yes
FENRC48	RC	MGA94_z52	747168	8474182	50	0	103	-90		Homestake Gold	Proximal
FENRC49	RC	MGA94_z52	747043	8474572	50	0	144	-90		Homestake Gold	Proximal
FENRC50	RC	MGA94_z52	746633	8474872	50	0	148.5	-90		Homestake Gold	Yes
FENRC51	RC	MGA94_z52	746433	8474822	50	0	102	-90		Homestake Gold	Yes
KAD0001	DDRM	MGA94_z52	746498	8471528	62	78.84	775.1	-55.86	6/09/2018	Newmont Exploration	Yes
KAD0002	DDRM	MGA94_z52	746350	8472142	60	84.27	757.2	-55	21/09/2018	Newmont Exploration	Yes
KAD0003	DDRM	MGA94_z52	744801	8472169	60	86.83	493	-66.05	6/10/2018	Newmont Exploration	Yes
PC04DD03	DD	MGA94_z52	746626	8485691	100	0	15.3	-90		NTGS	Proximal
PCDD001	DDRC	MGA94_z52	747300	8471700	60	90	550	-80	24/11/2011	St George Mining	Yes
SN16	RC	MGA94_z52	762070	8490899	100		60			Stockdale Prospecting	Yes
HCK001	RC	MGA94_z52	765601	8484999	128	237	56	-60	14/11/2010	Orion Exploration	Yes
HCK002	RC	MGA94_z52	765585	8484976	120	230	60	-60	16/11/2010	Orion Exploration	Yes
HCK003	RC	MGA94_z52	765561	8484962	120	224	30	-60	24/11/2010	Orion Exploration	Yes
HCK004	RC	MGA94_z52	766294	8484342	120	227	28	-60	23/11/2010	Orion Exploration	Yes
HCK005	RC	MGA94_z52	766230	8484369	120	222	32	-60	23/11/2010	Orion Exploration	Yes
HCK006	RC	MGA94_z52	766257	8484400	120	220	40	-60	23/11/2010	Orion Exploration	Yes
HCK007	RC	MGA94_z52	766241	8484383	121	225	28	-60	24/11/2010	Orion Exploration	Yes
HCK008	RC	MGA94_z52	766214	8484353	121	224	30	-60	24/11/2010	Orion Exploration	Yes
07KMDD01	DD	MGA94_z52	743046	8500318	100	0	77	-90	26/11/2007	Haddington Resources Ltd	Proximal

07KMDD02	DD	MGA94_z52	743207	8500240	100	0	47.5	-90	28/11/2007	Haddington Resources Ltd	Proximal
77ESD1	DD	MGA94_z52	787265	8490372	200		100			CRA	Yes
ESD1	DD					20	192	-65	30/05/1993	Aztec Mining Ltd	Yes
ESD2	DD				147	40	147	-69	1/12/1993	Aztec Mining Ltd	Yes
W9	RAB	MGA94_z52	804064	8473917	200	0	42	-90		Enterprise Gold Mines	Yes
W10	RAB	MGA94_z52	803659	8473917	200	0	48	-90		Enterprise Gold Mines	Yes
W11	RAB	MGA94_z52	804510	8473213	200	0	38	-90		Enterprise Gold Mines	Yes
W14	RAB	MGA94_z52	804323	8465066	200	0	32	-90		Enterprise Gold Mines	Yes
W27	RAB	MGA94_z52	803548	8464699	200	0	33	-90		Enterprise Gold Mines	Yes
TMLRC001	RC	MGA94_z52	803599	8464657	191	169	155	-59	14/05/2012	Thundelarra Exploration	Yes
TMLRC002	RC	MGA94_z52	803594	8464676	191	164	179	-70	14/05/2012	Thundelarra Exploration	Yes
TMLRC003	RC	MGA94_z52	803572	8464662	195	160	161	-60	14/05/2012	Thundelarra Exploration	Yes
TMLRC004	RC	MGA94_z52	803563	8464681	195	165	173	-70	14/05/2012	Thundelarra Exploration	Yes
TMLRC005	RC	MGA94_z52	803548	8464647	196	164	73	-60	14/05/2012	Thundelarra Exploration	Yes
TMLRC006	RC	MGA94_z52	800998	8463680	195	90	119	-60	14/05/2012	Thundelarra Exploration	Yes
TMLRC007	RC	MGA94_z52	800982	8463700	197	90	157	-60	14/05/2012	Thundelarra Exploration	Yes
TMLRC010	RC	MGA94_z52	803605	8465289	209	90	204	-60	14/05/2012	Thundelarra Exploration	Yes
TMLRC011	RC	MGA94_z52	802432	8464721	203	93.25	59	-60	14/05/2012	Thundelarra Exploration	Yes
TMLRC012	RC	MGA94_z52	802424	8464716	203	128.25	71	-60	14/05/2012	Thundelarra Exploration	Yes
TMLRC013	RC	MGA94_z52	803595	8465368	189	63.25	3	-60	14/05/2012	Thundelarra Exploration	Yes
TMLRC014	RC	MGA94_z52	803594	8465364	192	58.25	155	-60	14/05/2012	Thundelarra Exploration	Yes
PPRC1	RC	MGA94_z52	802386	8463900	200	51	50	-60		Peel Investments	Yes
PPRC2	RC	MGA94_z52	802387	8463995	200	231	50	-60		Peel Investments	Yes
PPRC3	RC	MGA94_z52	802369	8463976	200	231	50	-60		Peel Investments	Yes
PPRC4	RC	MGA94_z52	802351	8463957	200	231	50	-60		Peel Investments	Yes
PPRC5	RC	MGA94_z52	802265	8464010	200	51	50	-60		Peel Investments	Yes
PPRC6	RC	MGA94_z52	802247	8463991	200	51	50	-60		Peel Investments	Yes
PPRC7	RC	MGA94_z52	802229	8463972	200	51	50	-60		Peel Investments	Yes
PPRC8	RC	MGA94_z52	802274	8464055	200	51	100	-60		Peel Investments	Yes



Appendix B

JORC Code Table 1 – Pine Creek Project



Section 1: Sampling techniques and data

Drilling and sampling results reported in this report refer to results taken from exploration reports lodged by previous explorers over the prospects which are available on the Northern Territory Geological Survey (NTGS) online database Geoscience Exploration and Mining Information System (GEMIS). For full details refer to the specific NTGS open file reports.

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</i>	<p>Reported results have been compiled from open file exploration reports of work submitted to the Northern Territory Geological Survey (NTGS) and available through the Geoscience Exploration and Mining Information System (GEMIS) online database.</p> <p>All drilling data is from historical drilling undertaken by Geopeko/ North Mining (FENRC1-3; CR1993-0366), North Mining/Exploration (FENRC4-20, FEND1-2; CR1994-0380), FENRC21-45; FEND3-5; (CR1995-0408), Homestake Gold of Australia FEND6-8 (CR1996-0454), FEND9-22, 9A, 20A, 21A (CR1998-0006 and CR1998-0282), St George Mining (PCDD001; CR2011-1075), Newmont Australia (KAD0001-3; CR2021-0268), Orion Exploration HCK0001-8 (CR2010-1074), Aztec Mining (CR1994-0120) and Thundelara Exploration (CR2012-0443).</p> <p>Surface sampling – historical reconnaissance soil sampling was undertaken by Homestake (CR1998-0821, -10 mesh), St George Mining (CR2012-1067, no collection details) Newmont (CR2021-0268, no sample collection details), Magnum Resources (CR1987-0233), Aztec Mining (CR1994-0120 – 425 microns), AngloGold Australia (CR2001-0254 -500 mesh), Davos Resources (CR2007-0370 – no collection details) and Thundelarra Exploration (CR2012-0443).</p>
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	<p>Drilling - sampling techniques vary between the different companies and drilling campaigns. Where available the following information has been collated from open file reports.</p> <p>Newmont - all core was metre marked and oriented where applicable prior to logging activities. Drillhole sample intervals were assigned based upon lithological contacts,</p>

Criteria	JORC Code explanation	Commentary
		<p>with a minimum sample length of 50 cm and a maximum of 120 cm sampled.</p> <p>Soil sampling – specific details are typically not reported, including measures taken to ensure sample representivity.</p>
	<p><i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where ‘industry standard’ work has been done this would be relatively simple (e.g. ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i></p>	<p>Data from drilling has been derived from historical reports, which did not comprehensively detail all the specifics about sampling or laboratory techniques. Where available the following information has been collated from open file reports:</p> <p>Diamond core sample intervals include 0.5 m, 1.0 m and 1.2 m.</p> <p>PCDD001 - half core sent to SGS for gold fire assay. Samples dried, crushed to 6 mm and pulverised to 75 microns (PRP88).</p> <p>RC chip samples are collected at 1 m intervals and then spear sampled to form 2 m to 4 m composite samples (FEN*).</p> <p>Soil - HGAL samples (-10 mesh) were split in two samples and sent to Amdel Laboratory for low level gold analysis. One sample analysed for Mobile Metal Ion (MMI) and second sample analysed by standard Aqua Regia (AAS). SGML MMI samples, no other details.</p> <p>Newmont - Deep Sensing Geochemistry (DSG) soil sampling technique is a proprietary geochemical method developed at Newmont and applied in areas with covered terrain. The data and methodology are commercial in confidence. The method is used to map key lithologies, regolith variations, alteration, and mineralisation at depth based on the analysis of materials obtained in the area of interest. Details about the method are proprietary to Newmont and involve nonconventional aspects of field collection, analytical methods, and data analysis. The samples were shipped to Newmont’s proprietary facility in Denver, USA for processing.</p> <p>Thundelarra RC holes – 1 m sample intervals were assayed. Assay and sample preparation methodology is not mentioned.</p>

Criteria	JORC Code explanation	Commentary
Drilling techniques	<i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</i>	<p>Diamond drilling (DD), reverse circulation percussion (RC), rotary mud (RM) methods were used.</p> <p>Sampling techniques vary between the different drilling campaigns and information has been taken from open file reports where available.</p> <p>North Exploration, Geopeko and Homestake – all DD holes were reverse circulation (RC) pre-collared with diamond core tails. All DD holes were drilled using either NQ or NQ2 diameter core barrels. RC samples were collected through rig mounted cyclone at 1 m intervals with samples placed unbagged in rows on the ground.</p> <p>St George Mining – RC pre-collared DD hole, core diameter not specified,</p> <p>Newmont – all DD holes were pre-collared with rotary mud (RM) drilling followed by NQ2 core tails. Holes were orientated but method was not specified in the report.</p> <p>Orion Exploration (HCK*) - RC samples collected at 1 m intervals from a rig mounted cyclone (25/75) split with samples placed in bagged rows. A 4½ inch face-sampling hammer with a button bit and dual tube RC drill rods were used. RC rig was Edson top-drive drill with auxiliary compressor (1200 cfm/350 psi) also mounted on an Isuzu 4x4 truck.</p> <p>Aztec Mining – NQ DD</p> <p>Thundelarra Exploration – RC drilling but size not specified</p>
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	Recovery information records are partially available for DD holes in original reports but not for all RC holes. This data has not been reviewed.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	Not reported in historical reports.

Criteria	JORC Code explanation	Commentary
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	Not reported in historical reports.
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	<p>Historical geological logging was typically based on lithological contacts for all drilling types. In the case of PCDD001, lithological logging was only undertaken using CSIRO Hyperspectral Logging (Hylogger), no downhole log exists.</p> <p>This wide spaced drilling data is not sufficient to support a Mineral Resource. A Mineral Resource has not been determined from this drilling data.</p>
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i>	Geological logging is generally qualitative in nature.
	<i>The total length and percentage of the relevant intersections logged.</i>	<p>Geopeko/ North and HSGL have all hole intervals logged, some digitally captured others in *.pdf files awaiting digital conversion.</p> <p>The SGML drilling has no geological logging.</p> <p>Newmont has simplified digital geological logs.</p>
Subsampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	<p>DD were sampled as half core that was cut with a core saw, few details available.</p> <p>Newmont - core was halved utilising a core saw, with half the sample (the side without orientation line where applicable) placed in a bag for assay and the remaining half retained for later reference.</p>
	<i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i>	<p>Generally not reported in historical reports.</p> <p>North/HGAL - RC drill samples including pre-collars were collected at 1 m intervals through rig mounted cyclones. The 1 m samples were laid in rows unbagged and generally spear sampled to create 2 m or 4 m composites.</p> <p>HCK* series - initial 1 m sample split passed through 2 to 4 kg splitter to create RC 4 m composite sample that was submitted to the laboratory for analysis.</p>

Criteria	JORC Code explanation	Commentary
		Thundelarra Exploration – sample recovery and subsampling methodology is not specified.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Not reported in historical reports.
	<i>Quality control procedures adopted for all subsampling stages to maximise representivity of samples.</i>	Not reported in most historical reports.
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	Not reported in historical reports.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Not reported in historical reports, however, in general standard half core samples are considered appropriate.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	<p>Assay data is considered good quality and methods appropriate where available in reports.</p> <p>Drilling</p> <p>HGAL – (FENRC46-51, FEND6-22 incl. A suffix holes) - Assaycorp Pty Ltd Pine Creek, FA50 - Au (0.001 ppm), Au (1 ppb), Pt (1 ppb), Pd (5 ppb), AAS/MA-3 As (1 ppm) FA50 As (1 ppm), AAS/MA-3 ACL2 Pb, Zn,Cd.</p> <p>North – (FENRC41-45) Assaycorp Pty Ltd Pine Creek, FA50 - Au (0.001 ppm), Amdel Labs Darwin FA3 - Au (1 ppb), AA1 - Cu (2 ppb), Pb (4 ppb), Zn (2 ppb).</p> <p>SGML – (PCDD001) SGS Laboratories, FAA50 Au (0.01 ppm).</p> <p>Orion – (HCK* series) Amdel Ltd FA1 Au (0.01 ppm): IC3E, IC3M & IC3R methods for K, U Th, U, As, Ca, Cr, Cu, Fe, K, Mg, Mn, Na, Ni, P, Pb, Ti, V, Zn, Ag, Bi, Cd, Cs, Ce, Co, Ga, In, La, Mo, Nb, Rb, Sb, Se, Sr, Te, Th, Tl, W, Y, Dy, Er, Eu, Gd, Ho, Lu, Nd, Pr, Sm, Tb, Tm, Yb (ppm).</p> <p>Thundelarra – (TMLRC001-010) Assaycorp Pty Ltd Pine Creek – FA3 -Au, Cu, Pb, Zn, As.</p> <p>Soils</p>

Criteria	JORC Code explanation	Commentary
		<p>HGAL (-10 mesh) were split in 2 samples and sent to Amdel Laboratory for low level gold analysis. One sample analysed for Mobile metal Ion (MMI) with ICPOES or other for Li, Be, Cl, Sc, Ti, V, Mn, Co, Ni, Cu, Pb, Zn, Ga, Ge, As, Se, Br, Rb, Sr, Y, Zr, Nb, Mo, Ru, Rh, Pd, Ag, Cd, In, Sn, Sb, Te, I, Cs, Ba, La, Ce, Pr, Nd, Sm, Eu, Gd, Tb, Dy, Ho, Er, Tm, Yb, Lu, Hf, Ta, W, Re, Os, Ir, Pt, Au, Hg, Tl, Bi, Th, & V. Second sample analysed by standard aqua regia (AAS) for Au, Ag, Ni, Co, Pd, Cd, Cu, Pb & Zn.</p> <p>SGML soil samples sent to SGS Labs for MMI analysis (- M digest) with ICP-MS finish. Elements include As, Pd, Pt, Ag, Au, Ce, Cu, Cr, Ni, Pb, Zn, Co & Sb.</p> <p>Aztec Mining Ltd – (425 microns) Assaycorp Pty Ltd – FAGC Au (0.01 ppm), AAS MA-3), Cu, Pb, Zn, As.</p> <p>AngloGold (-500 mesh) Assaycorp Pty Ltd Pine Creek – FA3 -Au, Cu, Pb, Zn, As.</p> <p>Davos Resources Assaycorp Pty Ltd Pine Creek – FA3 -Au, Cu, Pb, Zn, As.</p> <p>Newmont - Deep Sensing Geochemistry (DSG) technique is a proprietary geochemical method developed at Newmont and applied in areas with covered terrain. The data and methodology are commercial in confidence. The method is used to map key lithologies, regolith variations, alteration, and mineralisation at depth based on the analysis of materials obtained in the area of interest. Details about the method are proprietary to Newmont and involve nonconventional aspects of field collection, analytical methods, and data analysis. The samples were shipped to Newmont's proprietary facility in Denver, USA for processing. No individual soil sample assays are available. The DSG analysis is presented in terms of scores, including a derivative product of proximal mineralisation score (DSG Mineralisation).</p>

Criteria	JORC Code explanation	Commentary
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	No geophysical tools or XRF were used.
	<i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	<p>Quality control procedures are not reported in all historical reports but are reported where available.</p> <p>Newmont - QC gold and multi-element standards were inserted at a frequency of one per 25 samples and blanks inserted every 50 samples.</p> <p>SGML – Not reported.</p> <p>Geopeko/North / HGAL – Not reported</p> <p>Aztec Mining/Magnum Resources/AngloGold/Davos Resources/Thundelarra Exploration – Not reported</p>
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Original reports, drill logs and assay reports have been visually reviewed.
	<i>The use of twinned holes.</i>	No drillholes have been twinned.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	<p>KAD*, FEN*, PCD*, HCK* series drilling data was obtained from open file GEMIS reports as digital files. Missing data and records are contained in *.pdf report documents and require conversion.</p> <p>All currently available digital data has been merged to create a digital excel database.</p>
	<i>Discuss any adjustment to assay data.</i>	No adjustments made.
Location of data points	<i>Accuracy and quality of surveys used to locate drillholes (collar and downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	<p>All drillhole and sample positions have been determined by GPS or differential GPS (DGPS). The accuracy of the survey methods is unknown but considered adequate.</p> <p>Drillhole locations for Aztec Mining have not been recorded but are referenced from a map with landmarks.</p>
	<i>Specification of the grid system used.</i>	All drillhole collars have been converted to GDA94 Zone 52.
	<i>Quality and adequacy of topographic control.</i>	A digital terrain model (DTM) has not yet been obtained.

Criteria	JORC Code explanation	Commentary
		It is not known how the elevations (RL) recorded were collected although it is believed that they may be GPS assigned.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	The drill spacing is suitable for reconnaissance programmes. The soil sample spacing is appropriate for reconnaissance programmes. Homestake MMI soil sample survey spacing is 400 m by 100 m and St George MMI soil sample spacing is 150 m by 150 m. Newmont DSG sample spacing was 500 m by 50 m in a NE-SW direction. AngloGold sample spacing was 200 m by 25 m. Davos Resources sample spacing is not on a regular grid.
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied</i>	Drilling is at an exploration stage and is not adequate to provide geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation. A Mineral Resource has not been determined from this drilling data.
	<i>Whether sample compositing has been applied.</i>	No downhole compositing has been applied.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	Drilling has predominantly been angled perpendicular to interpreted magnetic structures. Mineralisation orientation is not yet determined.
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	It is not yet known if any sampling bias has been introduced during the historical drilling process.
Sample security	<i>The measures taken to ensure sample security.</i>	Historical information - there are no records of sample security measures.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	No audits or reviews of sampling techniques and data have been documented.

Section 2: Reporting of exploration results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>	The Pine Creek Project comprises six contiguous exploration licences (EL31356, EL32148, EL31899, EL32884-32886) and three applications (EL33188-33189 and EL33225) covering an area of 1,886 km ² .

Criteria	JORC Code explanation	Commentary
	<i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	The Project is located approximately 150 km south of Darwin, and 8 km north of Pine Creek in the Northern Territory. Access to the Pine Creek Project is from the sealed Stuart Highway Hayes Creek via the sealed Dorat Road and Oolloo Roads and then via well maintained gravel roads.
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	<p>The majority of past exploration work within the Project area (including drilling, surface sampling; geophysical surveys, geological mapping) has been largely completed by Homestake Gold of Australia, North Mining, Newmont Australia, St George Mining Pty Ltd, Aztec Mining Ltd, AngloGold Australia, Davos Resources and Thundelarra Exploration</p> <p>The relevant reports are available on the Northern Territory Geological Survey GEMIS open file database library.</p>
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	<p>The Project is located in the western and central sections of the Central Domain of the Pine Creek Orogen. and comprises units of the Cosmo Supergroup which include the South Alligator Group, and Finnis River Group. The stratigraphic sequences are dominated by mudstones, siltstones, greywackes, sandstones, tuffs, and limestones. These sedimentary units, as well as basic intrusions, were folded, metamorphosed, and then subsequently intruded by the Cullen Batholith. Pegmatites occur throughout the region in close proximity to the Cullen Granites.</p> <p>The Pine Creek Project is considered prospective for orogenic Pine Creek gold mineralisation and pegmatite hosted lithium (spodumene) mineralisation. The majority of known gold deposits are hosted by the South Alligator Group and the lower parts of the Finnis River Group along anticlines, strike-slip shear zones and thrusts proximal to the Cullen Granite.</p>
Drillhole information	<i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes:</i> <ul style="list-style-type: none"> • easting and northing of the drillhole collar 	Information on past drilling and surface sampling is available in exploration reports mentioned in Section 1 and the main report.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> elevation or RL (elevation above sea level in metres) of the drillhole collar dip and azimuth of the hole downhole length and interception depth hole length. 	<p>The document is only intended to provide a summary of past exploration activity and principal targets identified.</p> <p>The Project is at an exploration stage of assessment and only significant results have been tabulated for practical reasons. The location of these drillholes and the relationship to other drillholes (without significant) results are shown in the various diagrams.</p>
Data aggregation methods	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i>	<p>Some of the targets are preliminary in nature and results are reported at low detection levels.</p> <p>No metal equivalent values have been reported.</p> <p>No high-grade cut-offs have been used.</p> <p>Intercepts are reported as weighted averages.</p>
Relationship between mineralisation widths and intercept lengths	<p><i>If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported.</i></p> <p><i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'downhole length, true width not known').</i></p>	All intersections reported are downhole intervals. Most drilling was planned to drill approximately perpendicular to the regional structures, but the Project is at an exploration stage of assessment and detailed understanding of the mineralisation is not available.
Diagrams	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views.</i>	Diagrams are supplied in the main report.
Balanced reporting	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	The report has been prepared to highlight the main targets and positive drill results based on past exploration within the Project area. Not all exploration results are shown for practical purposes.
Other substantive exploration data	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	Other than a preliminary field trip where petrophysical samples were collected from drill core and analysed by Terra Petrophysics Pty Ltd, DeSoto has not completed any other on-ground exploration work on the tenement and is relying on exploration data completed by previous tenement holders within the Project area.

Criteria	JORC Code explanation	Commentary
		Exploration work to date has largely been of a preliminary or reconnaissance nature. The Company is aware of regional scale aeromagnetic surveys and geological mapping programme undertaken by past explorers and has access to versions of the data that is available in reports. Surface soils, rock chip sampling and reconnaissance drilling programmes have been undertaken over many parts of the Project area. This has not been fully compiled by the Company as yet.
Further work	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	DeSoto plans to further test several exploration targets as detailed in the attached report. Diagrams in the report provide details of the principal targets within the Project area based on work of past explorers.

ANNEXURE B – SOLICITOR'S REPORT ON TENEMENTS

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5 October 2022

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DeSoto Resources Limited
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Dear Directors

SOLICITOR'S REPORT ON TENEMENTS

This Report is prepared for inclusion in a prospectus for the initial public offer of 40,000,000 shares in the capital of DeSoto Resources Limited (ACN 658 510 242) (**Company**) at an issue price of \$0.20 per share to raise \$8,000,000 (**Offer**) (**Prospectus**). Oversubscriptions of up to a further 20,000,000 Shares at an issue price of \$0.20 per Share to raise up to a further \$4,000,000 may be accepted.

1. SCOPE

We have been requested to report on certain mining tenements in which the Company has an interest (the **Tenements**).

The Company has an interest in exploration licences 32884, 32885, 32886, 33188, 33189 and 33225 through its wholly owned subsidiary, Mangusta Minerals Pty Ltd (ACN 653 950 522) (**Mangusta**).

The Company also has an interest in exploration licences 31356, 32148 and 31899.

The Tenements are located in the Northern Territory. Details of the Tenements are set out in Schedule 1 of this Report.

This Report is limited to the Searches (as defined below) set out in Section 2 of this Report.

2. SEARCHES

For the purposes of this Report, we have conducted searches and made enquiries in respect of all of the Tenements as follows (**Searches**):

- (a) we have obtained Minister's Certificates for the Tenements from the Department of Industry, Trade and Tourism (**DITT**) pursuant to section 128 of the *Mineral Titles Act 2010* (NT) (**Mineral Titles Act**) on 10 May 2022;
- (b) we have obtained searches and reviewed underlying Aboriginal Land and Aboriginal Land Claims through the online NT Strike system maintained by DITT;
- (c) we have obtained results of searches of the schedule of native title applications, register of native title claims, national native title register, register of indigenous land use agreements and national land use agreements as maintained by the National Native Title Tribunal (**NNTT**) for any native title claims (registered or unregistered), native title determinations and indigenous land use agreements (**ILUAs**) that overlap or apply to the Tenements. This material was obtained on 9 May 2022 and updated on 21 September 2022. Details of any native title claims (registered or unregistered), native title determinations and ILUAs are set out in Schedule 1 of this Report; and
- (d) we have obtained searches of the NT Heritage Register maintained by the Heritage Council Northern Territory for any heritage sites registered or recorded over the Tenements (**Heritage Sites**). Details of any Heritage Sites are set out in Section 5.2 of this Report.

2. OPINION

As a result of our Searches, but subject to the assumptions and qualifications set out in this Report, we are of the view that, as at the date of the relevant Searches this Report provides an accurate statement as to:

- (a) the Company's interest in the Tenements;
- (b) the validity and good standing of the Tenements; and
- (c) third party interests, including encumbrances and private land, in relation to the Tenements.

3. EXECUTIVE SUMMARY

Subject to the qualifications and assumptions in this Report, we consider the following to be material issues in relation to the Tenements:

(a) **Company's interest in the Tenements**

The Company has an interest in exploration licences 32884, 32885, 32886, 33188, 33189 and 33225 through its wholly owned subsidiary, Mangusta.

The Company has entered into a tenement purchase agreement with Bacchus Resources Pty Ltd (ACN 606 340 872) (**Bacchus**) to acquire 100% of Bacchus' rights, title and interest in exploration licences 31356, 32148 and 31899 (**Tenement Purchase Agreement**). A summary of the Tenement Purchase Agreement is set out in Section 9.2 of the Prospectus.

Upon completion of the Tenement Purchase Agreement (which is to occur prior to the Company's listing on the ASX), the Company will own 100% of the Tenements.

(b) **Crown land**

Some of the land overlaps a Crown Lease. The *Crown Lands Act 1992* (NT) (**Crown Lands Act**) defines a Crown Lease as a lease granted by the Minister under a law of the Territory relating to the leasing of Crown Land. Further details are provided in Section 4.2 of this Report.

Under the Crown Lands Act, a Crown Lease may be a lease for a term of years or a lease in perpetuity, being a lease that continues indefinitely. Crown Leases may contain reservations such as a reservation of a right of entry and inspection and a reservation of all minerals, mineral substances and ores in or on the land and covenants such as rent and use of the land. The Crown Lease may contain any other reservations, conditions or provisions prescribed or considered by the Minister to be necessary under the circumstances.

The Company has confirmed that to the best of its knowledge, the Company's proposed exploration activities will not take place on the areas of the Tenements that overlap the Crown Lease.

(c) **Pastoral Leases**

The Tenements overlap several pastoral leases. Further details are provided in Section 4.3 of this Report. The Mineral Titles Act prohibits or imposes restrictions on exploration activities on or near Crown Land (which includes pastoral leases). The holder of a mining tenement must pay compensation to the pastoral lessee for any damage or loss suffered by the lessee arising from any exploration activities.

We have been advised by the Company, and the Company has confirmed that to the best of its knowledge, it is not aware of any improvements and other features on the land the subject of the pastoral leases which the Tenements overlap, which would require the Company to obtain the consent of the occupier or leaseholder or prevent the Company from undertaking its proposed exploration activities on the Tenements.

(d) **Objections to Applications**

Our Searches revealed that there is one live objection in respect of EL33188 (**Objection**). The Company has formally responded to the Objection and is awaiting a response from the Northern Territory Department of Industry, Tourism and Trade. As such, the outcome remains unknown. Refer to Section 7 of this Report for further details regarding the Objection.

4. DESCRIPTION OF THE TENEMENTS

- 4.1** The Tenements comprise granted exploration licences (**EL**) EL32886, EL32885, EL32884, EL31356, EL32148 and EL31899 and applications for exploration licences EL33188, EL33189 and EL33225 under the Mineral Titles Act. Schedule 1 of this Report provides a list of the Tenements. A description of the nature and key terms of these types of mining tenements is provided below.

(a) **Application**

A person may apply for an exploration licence in the approved form (Approved Form 1) to the Minister. The application must be lodged with DITT and include a description of the block comprising the proposed title area of the EL and a technical work program for the first 2 operational years of the EL.

(b) **Rights**

The holder of a mineral exploration licence:

- (i) has the right to occupy the title area specified in the EL;
- (ii) has exclusive rights to conduct exploration for minerals in the title area, including other authorised activities for the purposes of exploration for minerals such as:
 - (A) digging pits, trenches and holes, and sinking bores and tunnels, in the title area;
 - (B) activities for ascertaining the quality, quantity or extent of ore or other material in the title area by drilling or other methods; and
 - (C) the extraction and removal of samples of ore and other substances from the title area in amounts reasonably necessary for the evaluation of the potential for mining in the area; and
- (iii) has the right to apply for a mineral lease for all or part of the title area.

(c) **Term**

The Minister may grant an EL for a term not exceeding 6 years. Before the end of the term of the EL, the holder may apply in the approved form to the Minister for the renewal of the EL for all or some of the blocks in the title area. The Minister may renew the EL for a term not exceeding two years. The EL may be renewed more than once.

(d) **Retention status**

The holder of an EL may, before the end of the term, apply in the approved form (Approved Form 2) to the Minister for all or part of the EL to be designated as an exploration licence in retention (**ELR**).

The holder of the EL may apply for the designation of an ELR only if:

- (i) an ore body or anomalous zone of possible economic potential has been found on the proposed ELR; and
- (ii) the holder reasonably believes that mining minerals in the proposed title area is not currently commercially viable or may be currently commercially viable but further work is required to assess its feasibility.

An application for an ELR must include a description of the ELR title area and a technical work programme for the proposed title area for the first operational year of the ELR. The Minister may decide to designate all or part of an EL as an ELR if they are satisfied with the information provided in the application, and the applicant for the ELR has the technical and financial capacity to develop and mine the mineral deposits in the title area of the ELR.

The holder of an ELR has the right to occupy the ELR's title area, conduct the activities consistent with an EL, and the exclusive right to apply for a mineral lease for all or part of the title area.

The making of an application for an ELR or the refusal of the application by the Minister, does not impact the existing EL. If the Minister approves an ELR application over part of the title area of an EL, then this part is removed from the title area of the EL. If the Minister approves an ELR application over the entire title of the EL, then the ELR will replace the EL in full.

The Minister may issue the ELR for a term not exceeding 5 years. The holder of an ELR may apply to renew the whole or part of the ELR. The Minister may renew the ELR for a term not exceeding 5 years and it may be renewed more than once.

(e) **Rent**

The prescribed rent for an exploration licence in the Northern Territory (subject to periodic adjustment by the DITT), for the purposes of the Mineral Titles Act, is set out in the *Mining Regulations (NT)* (**NT Regulations**). Regulation 77(1) of the NT Regulations states that rent, after the date of grant of the exploration licence, shall be:

- (i) \$31 for each block in the first year and second year;
- (ii) \$62 for each block in the third year and fourth year;
- (iii) \$125 for each block in the fifth year and sixth year; and
- (iv) \$175 for each block per year in the period of renewal.

Pursuant to Section 105 of the Mineral Titles Act, the Minister may cancel an exploration licence where the holder of the licence fails to comply with a condition, such as the payment of rent as required by the NT Regulations.

(f) **Conditions**

Exploration licences are granted subject to various standard conditions, including conditions relating to minimum expenditure, the payment of prescribed rent and royalties and observance of environmental protection and reporting requirements. A failure to comply with these conditions or obtain an exemption from compliance may lead to forfeiture of the exploration licence.

In accordance with Section 32(2)(a)(ii) of the Mineral Titles Act, every exploration licence shall be granted subject to the expenditure conditions imposed by or under Section 85 of the Mineral Titles Act. The licensee will

expend not less than the minimum amount of expenditure specified in the licence in carrying out exploration activities on the licence area.

The Minister may amend, suspend or remove a condition of the exploration licence.

As noted above, pursuant to Section 105 of the Mineral Titles Act, the Minister may cancel an exploration licence where the holder of the licence contravenes a condition, has not used good work practices in conducting activities, no longer has the financial resources to carry out the technical works program or has not conducted authorised activities to a degree consistent with genuine exploration, mining or processing of minerals or extractive minerals.

(g) **Ministerial Consent**

Under Section 35 of the *Mining Management Act 2001* (NT) (**MMA**), any activity on tenure (other than for exploration that does not involve substantial disturbance) requires the Minister to grant ministerial authorisation before that activity can commence.

(h) **Reduction in title area**

Unless the Minister decides otherwise, the title area of an EL must be reduced at the end of each period of 2 operational years (**Reduction Period**), including the last 2 operational years if the holder applies for a renewal of the EL. The Mineral Titles Act defines an operational year for a mineral title to mean the period of 12 months immediately after the title comes into force, and each subsequent period of 12 months.

Before the end of the Reduction Period, the holder must give the Minister a notice nominating the blocks to be retained in the title area of the EL so that the title area after reduction will comprise no more than 3 separate areas of at least 4 adjoining blocks each. The Minister may, upon application by the holder or on the Minister's own initiative, decide:

- (i) no reduction or a lesser reduction is required of the title area at the end of the reduction period; or
- (ii) to defer the reduction of the title area by a period, not exceeding 12 months.

Before making any decision regarding the area reduction of an EL, the Minister must take into account the impact of the reduction on the authorised activities on the EL and any other matter prescribed by regulation.

(i) **Transfer**

No legal or equitable interest in an EL can be transferred to another person without first applying to the Minister for the approval and registration of the transfer. The application for transfer must be in the approved form, include the details of the proposed transfer, and signed by all the parties to the transfer. The Minister must approve and register the transfer unless there are circumstances which warrant its refusal. The instrument of transfer has no effect under the Mineral Titles Act until it is added to the mineral titles register.

4.2 Crown Land

EL32885 (Parcel 2047) and EL 31899 overlap a perpetual Crown Lease, granted under Part 3 of the Crown Lands Act.

The Company has confirmed that to the best of its knowledge, the Company's proposed exploration activities will not take place on the areas of the Tenements that overlap the Crown Lease.

4.3 Pastoral Leases

The Tenements overlap several pastoral leases as set out in the table below.

Tenement	Pastoral Lease
EL33189	Mary River West Station Jindare Station
EL32885	Douglas West Station Tipperary East Station
EL33188	Tipperary East Station Douglas Station
EL32884	Douglas West Station Douglas Station Mary River West Station
EL32886	Douglas South Station Jindare Station
EL33225	Tipperary East Station
EL31356	Mary River West Station Jindare Station
EL32148	Mary River West Station Douglas Station Ban Ban Springs Station
EL31899	Douglas Station Ban Ban Springs Station

The *Pastoral Land Act 2016* (NT) defines a pastoral lease to mean a lease granted over Crown Land for pastoral purposes, including a pastoral homestead lease, and leases which are held over by a former lessee after the expiration of the term of a pastoral lease.

The Mineral Titles Act defines pastoral land to be the land held under a pastoral lease.

The Mineral Titles Act:

- (a) requires the holder of an exploration licence to provide the landowner or occupier of the land, a notice of intention to conduct preliminary exploration on pastoral land (or takes all reasonable steps to give the notice);
- (b) requires the holder conducting preliminary exploration to comply with the reasonable conditions or requests of the landowner;

- (c) forbids the use of water conserved artificially by the landowner, unless the landowner has provided consent;
- (d) requires the holder to take all reasonable steps to provide notice to the landowner that it is necessary for a person to stay overnight on the exploration licence;
- (e) requires the person who intends to undertake preliminary exploration has in their possession any relevant documents required by regulation; and
- (f) provides that a person who has an interest in land is entitled to compensation from a holder of a mineral title for damage/improvements to the land and any loss suffered as a result of that damage. If the damage to the land is caused by exploration activities, then the person who has an interest in the land is entitled to compensation only in relation to damage in excess of what is reasonably necessary for conducting those activities.

The holder of a mineral title pursuant to the Mineral Titles Act is not permitted to conduct activities on pastoral land within:

- (a) 200 metres of a building that is not enclosed by a fence; or
- (b) 50 metres of a fence that encloses a building.

The Company has confirmed that to the best of its knowledge it is not aware of any improvements and other features on the land the subject of the pastoral leases overlapping the Tenements which would require the Company to obtain the consent of the occupier or lease holder or prevent the Company from undertaking its proposed exploration activities on the Tenements.

Upon commencing mining operations on any of the Tenements, the Company should consider entering into a compensation and access agreement with the pastoral lease holders to ensure the requirements of the Mineral Titles Act are satisfied and to avoid any disputes arising.

4.4 Private Land

The Minerals Titles Act defines private land as a fee simple interest or a lease from the Crown under the Crown Lands Act or the Special Purposes Leases Act 1953 (NT) (**Special Purposes Leases Act**).

Section 14 of the Minerals Titles Act defines a landowner as:

- (a) a person recorded in the land register, as defined in section 4 of the Land Title Act 2000 (NT), as a person entitled to:
 - (i) the fee simple interest in land; or
 - (ii) a lease from the Crown under the Crown Lands Act, Pastoral Land Act 1992 (NT) or Special Purposes Leases Act;
- (b) if the land is an Aboriginal community living area, the association that holds the land;
- (c) if the land is Aboriginal land, the land trust, established under the Aboriginal Land Rights (Northern Territory) Act 1976 (**ALRA**), that holds the land;

- (d) if the land is native title land, the holder of the native title;
- (e) if the land is a park or reserve, the entity responsible for the care, control and management of the land; or
- (f) if the land is under the care, control and management of the Conservation Land Corporation established by section 27 of the Parks and Wildlife Commission Act 1980 (NT), that corporation.

Under section 32(1) of the Mineral Titles Act, prior to commencing authorised activities under an exploration licence, the title holder must follow the procedures prescribed in the NT Regulations for giving notice to landowners or occupiers of land in the title area of their:

- (a) intention to commence the activities; and
- (b) entry onto the land to conduct the activities.

Consent from owners of private land for the title holder to enter onto the land in order to construct, maintain and use infrastructure associated with conducting the authorised activities, under the mineral title, is required before the Minister can grant an access authority.

Pursuant to section 84 of the Mineral Titles Act, an access authority allows the title holder to enter their land to construct, maintain and use infrastructure for exploration (and mining) activities.

The Minister may only grant an access authority to a title holder if, 14 days before making the application, the title holder:

- (a) gives written notice of the intention to apply for the access authority to:
 - (i) each landowner of the relevant land; and
 - (ii) if a mineral title is in force for any of the relevant land, the title holder; and
- (b) publishes a notice of the intention in a newspaper circulating in the area in which the relevant land is situated; and
- (c) obtains the consent of the landowners if the land is private land, Aboriginal land under ALRA or an Aboriginal community living area to enter the land for the purposes of conducting the approved exploration activities.

Pursuant to section 21(5)(a) of the Mineral Titles Act, landowners must not unreasonably refuse to consent to the title holders' entry onto the land.

If exploration would cause substantial disturbance of the mining site, or if mining approval has been granted under the Mineral Titles Act, the title holder also needs to obtain authorisation from the Minister. Pursuant to Part 4, Division 2 of the MMA, an authorisation gives the title holder the right to carry out the mining activities specified in the authorisation.

The Tenements overlap Private Land as set out in the table below.

Tenement	Private Land
EL32884	Parcel 2382 Parcel 2383
EL32885	Parcel 5758
EL32886	Parcel 5758 Parcel 2532 Parcel 4650 Parcel 4651 Parcel 5602 Parcel 6069 Parcel 6070 Parcel 6071 Parcel 6072 Parcel 6074 Parcel 6075 Parcel 6102 Parcel 6635 Parcel 6637

4.5 Petroleum reserves

The Tenements do not overlap petroleum onshore reserves.

A petroleum reserved block is an area of land which forbids the exploration or drilling for petroleum resources.

In accordance with the Mineral Titles Act, an area of land is considered a reserve if it is defined to be so under the *Environment Protection and Biodiversity Conservation Act 1999* (Cth), the *Territory Parks and Wildlife Conservation Act 1976* (NT) or the *Cobourg Peninsula Aboriginal Land, Sanctuary and Marine Park Act 1981* (NT).

The MMA excludes petroleum, as that term is defined in the *Petroleum Act 1984* (NT), from the definition of mineral.

5. ABORIGINAL HERITAGE

5.1 Commonwealth legislation

The *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) (**Commonwealth Heritage Act**) is aimed at the preservation and protection of any Aboriginal areas and objects that may be located on the Tenements.

Under the Commonwealth Heritage Act, the Minister for Aboriginal Affairs may make interim or permanent declarations of preservation in relation to significant Aboriginal areas or objects, which have the potential to halt exploration activities. Compensation is payable by the Minister for Aboriginal Affairs to a person who is, or is likely to be, affected by a permanent declaration of preservation.

It is an offence to contravene a declaration made under the Commonwealth Heritage Act.

5.2 Northern Territory legislation

The Tenements are subject to the NT Heritage Act which provides for the conservation of the Northern Territory's cultural and natural heritage.

It is an offence under Section 111 of the NT Heritage Act to knowingly engage in conduct that results in the damage of a heritage place or heritage object (collectively referred to as "archaeological sites"), unless it is approved in accordance with Section 111(5) of the NT Heritage Act.

"Heritage places" and "heritage objects" are places and objects that have been declared to be such pursuant to Part 2.1 or Part 2.2 of the NT Heritage Act. Broadly, an "archaeological place" includes a place pertaining to the past occupation by Aboriginal or Macassan people that has been modified by the activity of such people and in or on which the evidence of such activity exists (Section 6 NT Heritage Act). An "archaeological object" generally includes a relic pertaining to the past occupation by Aboriginal or Macassan people of any part of Australia which is now in the Northern Territory (Section 8, NT Heritage Act).

Declared heritage places have been located on EL33188, EL32884 and EL31356. Archaeological places and objects have been located on EL33188, EL32884, EL33189, EL32885 and EL31356.

Numerous archaeological sites were recorded many years ago, and it is likely that there are a number of undiscovered archaeological sites within the Tenements. It is recommended that the Company conduct comprehensive archaeological surveys of the Tenements prior to commencement of exploration operations to ensure that no breaches of the NT Heritage Act or the NT Sacred Sites Act occur.

5.3 Northern Territory heritage sites

The NT Sacred Sites Act also applies to the Tenements. It is an offence under Part IV of the NT Sacred Sites Act to enter onto, work on or desecrate a Sacred Site other than in accordance with the NT Sacred Sites Act.

Authority Certificates have also been previously issued for EL32885, EL33188, EL33189, EL32884 and EL33225 which identify restricted work areas in a parcel of land within those Tenements. A restricted work area relates to an area identified in an issued Authority Certificate that has restrictions on the kind of activities that are permitted (or not permitted) in the area. The Company cannot rely on an Authority Certificate issued to another person to determine the activities which it may undertake on EL32885, EL33188, EL33189, EL32884 and EL33225.

The Company, through Mangusta, will apply for Authority Certificates from the AAPA to obtain certainty that its activities within the Tenements will not result in any offences under the relevant Aboriginal heritage legislation. Authority Certificates are usually issued by the AAPA within 6 months of application.

The Company should conduct searches of the register maintained by the Northern Territory Department of Tourism and Culture and the Register of Sacred Sites maintained by the AAPA prior to commencement of exploration operations to ensure that no breaches of the NT Heritage Act or the NT Sacred Sites Act occur.

6. NATIVE TITLE

6.1 General

The law of Australia recognises the existence of native title rights held by indigenous Australians over their traditional lands¹. Native title exists where an indigenous group has maintained a continuous traditional connection with the land, and those rights have not been extinguished.

Native title may be extinguished:

- (a) in whole by the grant of an interest in land conferring “exclusive possession” such as a freehold interest in the land; or
- (b) in part by the grant of an interest conferring “non-exclusive possession” including the grant of pastoral leases and mining leases, or the creation of certain reserves. In this case, the native title will co-exist with the other rights to the land.

The *Native Title Act 1993* (Cth) (**NTA**):

- (a) provides a process for indigenous people to claim native title rights² and compensation³;
- (b) confirms the validity of past actions (including grants of land tenure) by the Commonwealth and State/Territory governments⁴; and
- (c) specifies the procedures which must be complied with to ensure that acts that may affect native title rights (such as the grant or renewal of a mining tenement) are valid.

In the Northern Territory, the NTA has been adopted by the enactment of the *Validation of Titles and Actions Amendment Act 1998* (NT).

6.2 Native title claim process

Persons claiming to hold native title may lodge an application for determination of native title with the Federal Court. The application is then referred to the NNTT to assess whether the claim meets the registration requirements in the NTA, and if so, the native title claim will be entered on the register of native title claims (**RNTC**) maintained by the NNTT.

Native title claimants have certain procedural rights, including the rights to negotiation and compensation, in relation to the grant of mining tenements if their native title claim is registered at the time the Territory issues a notice of the proposed grant of the mining tenement (**Section 29 Notice**), or if their claim becomes registered within four months after the Section 29 Notice.

Once a claim is registered, a claimant must prove its claim in the Federal Court in order to have native title determined and the claim entered on the National Native Title Register (**NNTR**).

¹ *Mabo v Queensland (No 2)* (1992) 175 CLR 1

² Parts 3 and 4 of the NTA

³ Part 3, Division 5 of the NTA

⁴ Part 2, Division 2 of the NTA

6.3 Grant of tenements and compliance with the NTA

The grant of any mining tenement after 23 December 1996 must comply with the applicable NTA procedures in order to be valid. The exception to this is where native title has never existed over the land covered by the tenement, or has been extinguished prior to the grant of the tenement.

The absence of a claim does not necessarily indicate that there is no native title over an area, as native title claims could be made in the future.

Unless it is clear that native title does not exist (such as where the land the subject of a tenement application is freehold land), the usual practice of the Territory is to comply with the NTA when granting a tenement. This ensures the grant will be valid if a court subsequently determines that native title rights exist over the land subject to the tenement.

The procedural requirements in the NTA relating to the grant of a mining tenement (referred to as the “**Future Act**” procedures) include four alternatives:

1. the right to negotiate, which is the primary Future Act procedure prescribed by the NTA;
2. the expedited procedure, which may be used in relation to the grant of exploration and prospecting licences;
3. an indigenous land use agreement; and
4. ancillary processes.

Future Act procedures are provided below.

6.4 Right to negotiate

The primary Future Act procedure prescribed by the NTA is the “right to negotiate”.

The right to negotiate involves a negotiation between the registered native title claimants, the tenement applicant and the Territory government, the aim of which is to agree the terms on which the tenement may be granted.

The applicant for the tenement is usually liable for any compensation that the parties agree to pay to the native title claimants. The parties may also agree on conditions that will apply to activities carried out on the tenement.

The initial negotiation period is six months from the date on which the Territory issues a Section 29 Notice.

If the parties cannot reach an agreement within the initial six month period, any party may refer the matter to arbitration before the NNTT, which then has six (6) months to determine whether the tenement can be granted and if so, on what conditions.

6.5 Expedited procedure

Where the grant of a tenement is unlikely to directly interfere with community or social activities or areas or sites of particular significance, or involve major disturbance to land or waters, the NTA permits the Territory to follow an expedited procedure for the grant of a tenement.

The Territory applies the expedited procedure to the grant of exploration and prospecting tenements.

Registered native title parties can lodge an objection to the use of the expedited procedure within the period of four months following the issue of the Section 29 Notice by the Territory (**Objection Period**).

If no objections are lodged or if the objections are withdrawn, the Territory may grant the tenement at the expiry of the Objection Period without undertaking a negotiation process.

If an objection is lodged, the NNTT must determine whether the grant of the tenement is an act attracting the Expedited Procedure. If the NNTT determines the expedited procedure does not apply, the parties must follow the right to negotiate procedure or enter into an indigenous land use agreement.

6.6 Indigenous land use agreement

The right to negotiate and expedited procedures do not have to be followed if an indigenous land use agreement (**ILUA**) has been registered with the NNTT.

An ILUA is a voluntary contractual arrangement negotiated with all registered native title claimants for a relevant area. The Territory and the applicant for the tenement are usually the other parties to the ILUA.

An ILUA must set out the terms on which the relevant mining tenement may be granted. An ILUA will also specify conditions on which activities may be carried out within the tenement. The applicant for a tenement is usually liable for any compensation that the parties agree to pay to the registered native title claimants in return for the grant of the tenement being approved. These obligations pass to a transferee of the tenement.

Once an ILUA is agreed and registered, it binds the whole native title claimant group and all holders of native title in the area (including future claimants), even though they may not be parties to it.

6.7 Ancillary processes

In the Northern Territory, the DITT may apply ancillary processes to applications for mineral leases for ancillary purposes or for those with an access authority.

6.8 Renewals

Renewals of mining tenements made after 23 December 1996 must comply with the Future Act provisions in order to be valid under the NTA, except where:

- (a) the area to which the mining tenement applies is not extended;
- (b) the term of the renewed mining tenement is not longer than the term of the earlier mining tenement; and
- (c) the rights to be created are not greater than the rights conferred by the earlier mining tenement.

6.9 Native title claims and determinations affecting the Tenements

Our searches indicate that some of the Tenements are within the external boundaries of the native title claims as specified in Schedule 2.

6.10 Indigenous land use agreements affecting the Tenements

Our searches indicate that some of the Tenements are within the area of the registered ILUA's as specified in Schedule 2.

7. OBJECTIONS

Under Section 71 of the MTA, the Minister must publish, in a newspaper circulating throughout the Northern Territory, a notice stating that the application for an exploration licence has been made. The landowners then have 30 days to lodge an objection or submission to that application with the Department of Industry, Tourism and Trade. We note that the Objection set out in the table below has been recorded and remains live in respect of EL33188.

Tenement	Application Date	Objecting Party
EL33188	01/04/2022	Objection 1: Etienne and Cara Littlefair Objection 2: Dr David Croft and Ingrid Witte, Etienne and Cara Littlefair, Dr Michael Fonda and Jacqueline Taylor, Catherine and John Liew, Delwyn and Peter McMillan, Steve Butler, Dr John Cooper, Dr Tony Devine and David Connolly Objection 3: Dr David Croft and Ingrid Witte

The Department will forward any objections to the applicant, allowing them 21 days to respond. The Department encourages communication between the parties to resolve any issues. All objections and submissions are then considered by the Minister to decide whether to grant, partially grant or refuse the application. The Department will then advise all parties of the outcomes.

8. QUALIFICATIONS AND ASSUMPTIONS

This Report is subject to the following qualifications and assumptions:

- (a) we have assumed the accuracy and completeness of all Searches, register extracts and other information or responses which were obtained from the relevant department or authority including the NNTT;
- (b) we assume that the registered holder of the Tenements has valid legal title to the Tenements;
- (c) this Report does not cover any third party interests, including encumbrances, in relation to the Tenements that are not apparent from our Searches and the information provided to us;
- (d) we have assumed that any agreements provided to us in relation to the Tenements are authentic, were within the powers and capacity of those who

executed them, were duly authorised, executed and delivered and are binding on the parties to them;

- (e) with respect to the granting of the applications for exploration licences EL33188, EL33189 and EL33225, we have assumed that the Territory and the applicant for the Tenements have complied with, or will comply with, the applicable Future Act Provisions;
- (f) we have assumed the accuracy and completeness of any instructions or information which we have received from the Company or any of its officers, agents and representatives;
- (g) unless apparent from our Searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain the Tenements in good standing;
- (h) with respect to the application for the grant of a Tenement, we express no opinion as to whether such application will ultimately be granted and that reasonable conditions will be imposed upon grant, although we have no reason to believe that any application will be refused or that unreasonable conditions will be imposed;
- (i) references in this Report to any area of land are taken from details shown on searches obtained from the relevant department. It is not possible to verify the accuracy of those areas without conducting a survey;
- (j) the information in this Report is accurate as at the date the relevant Searches were obtained. We cannot comment on whether any changes have occurred in respect of the Tenements between the date of the Searches and the date of this Report;
- (k) where Ministerial consent is required in relation to the transfer of any Tenement, we express no opinion as to whether such consent will be granted, or the consequences of consent being refused, although we are not aware of any matter which would cause consent to be refused;
- (l) we have not conducted searches of the Database of Contaminated Sites maintained by the Department of the Environment and Conservation;
- (m) native title may exist in the areas covered by the Tenements. Whilst we have conducted Searches to ascertain that native title claims and determinations, if any, have been lodged in the Federal Court in relation to the areas covered by the Tenements, we have not conducted any research on the likely existence or non-existence of native title rights and interests in respect of those areas. Further, the NTA contains no sunset provisions and it is possible that native title claims could be made in the future; and
- (n) Aboriginal heritage sites or objects (as defined in the NT Heritage Act or under the Commonwealth Heritage Act) may exist in the areas covered by the Tenements regardless of whether or not that site has been entered on the Register of Sacred Sites established by the NT Sacred Sites Act or is the subject of a declaration under the Commonwealth Heritage Act other than the Heritage Searches. We have not conducted any legal, historical, anthropological or ethnographic research regarding the existence or likely existence of any such Aboriginal heritage sites or objects within the area of the Tenements.

9. LIMITATION OF LIABILITY

We do not accept any liability, nor shall we be liable for anything stated in or done in connection with the documents reviewed, this Report or any related enquiries and work:

- (a) for any aspect, issue, subject or consideration which falls outside the scope of the review as set out in Section 1 of this Report; or
- (b) for any incorrect or incomplete information provided to us.

Without limiting the foregoing, the partners and employees of Steinepreis Paganin or any of its affiliates shall not be liable in their personal capacity for any claim whatsoever arising, directly or indirectly, in connection with any advice or opinions given in, views expressed in, errors in, or omissions from, this Report, and all such claims shall be enforceable only against the partnership and may be satisfied only from the assets of the partnership, including the partnership's professional indemnity cover (and not from the personal estates of any individual referred to above).

10. CONSENT

This Report is given for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Yours faithfully



STEINEPREIS PAGANIN

SCHEDULE 1 – TENEMENT SCHEDULE

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE (Blocks)	ANNUAL RENT (Next rental year)	MINIMUM ANNUAL EXPENDITURE	REGISTERED DEALINGS / ENCUMBRANCES	NOTES	NATIVE TITLE
EL32884	Mangusta Minerals Pty Ltd	100/100	17/06/2022	16/06/2028	124BL	Previous Tenement Year – N/A Current Tenement Year - \$4,836	Previous Tenement Year – N/A Current Tenement Year - \$50,000	None	None	Refer to Section 6 and Schedule 2 of this Report.
EL32885	Mangusta Minerals Pty Ltd	100/100	17/06/2022	16/06/2028	88BL	Previous Tenement Year – N/A Current Tenement Year - \$3,432	Previous Tenement Year – N/A Current Tenement Year - \$100,000	None	None	Refer to Section 6 and Schedule 2 of this Report.
EL32886	Mangusta Minerals Pty Ltd	100/100	17/06/2022	16/06/2028	131BL	Previous Tenement Year – N/A Current Tenement Year - \$5,109	Previous Tenement Year – N/A Current Tenement Year - \$100,000	None	None	N/A
EL33188	Mangusta Minerals Pty Ltd	100/100	(01/04/2022)	N/A (application is pending)	25BL	N/A	N/A	None	None	N/A
EL33189	Mangusta Minerals Pty Ltd	100/100	(01/04/2022)	N/A (application is pending)	77BL	N/A	N/A	None	None	Refer to Section 6 and Schedule 2 of this Report.

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE (Blocks)	ANNUAL RENT (Next rental year)	MINIMUM ANNUAL EXPENDITURE	REGISTERED DEALINGS / ENCUMBRANCES	NOTES	NATIVE TITLE
EL33225	Mangusta Minerals Pty Ltd	100/100	(13/05/2022)	N/A (application is pending)	26BL	N/A	N/A	None	None	N/A
EL31356	Bacchus Resources Pty Ltd	100/100	01/06/2017	31/05/2023	83BL	Previous Tenement Year - \$12,865 Current Tenement Year - \$13,114	Previous Tenement Year - \$14,620 Current Tenement Year - \$42,000	None	None	Refer to Section 6 and Schedule 2 of this Report.
EL32148	Bacchus Resources Pty Ltd	100/100	19/03/2020	18/03/2026	13	Previous Tenement Year - \$494 Current Tenement Year - \$1,014	Previous Tenement Year - \$3,450 Current Tenement Year - \$75,000	None	None	Refer to Section 6 and Schedule 2 of this Report.
EL31899	Bacchus Resources Pty Ltd	100/100	07/06/2018	06/06/2024	12	Previous Tenement Year - \$912 Current Tenement Year - \$1,896	Previous Tenement Year - \$3,200 Current Tenement Year - \$12,500	None	None	Refer to Section 6 and Schedule 2 of this Report.

Key to Tenement Schedule

EL – means Exploration Licence

Unless otherwise indicated, capitalised terms have the same meaning given to them in the Prospectus.

Please refer to Schedule 2 of this Report for further details on native title and Aboriginal heritage matters.

The Tenements are subject to standard conditions which require the holder to pay rent, meet the minimum expenditure, provide annual reports to the Department of Industry, Tourism and Trade, comply with the Mineral Titles Act and hold valid authorisations to explore consistent with the requirements under the MMA. The Tenements are also subject to further conditions which require consultation with native title parties, site protection, minimisation of environmental impact and environmental rehabilitation requirements.

SCHEDULE 2 – NATIVE TITLE

TRIBUNAL NUMBER	FEDERAL COURT NUMBER	APPLICATION NAME	REGISTERED	STATUS	TENEMENT AFFECTED
DC2001/006	NTD6006/2001	Daphne Huddleston & Ors obo The Wagiman, Warai & Jawoyn Peoples (Mary River West) v Northern Territory of Australia & Ors	Yes	Active	EL33189, EL32884, EL 32148 and EL 31356
DC2001/021	NTD6021/2001	Gabriel Hazelbane & Ors obo Warai & Angwinmil Peoples (Ban Ban Springs) v Northern Territory of Australia & Ors	Yes	Active	EL 31899

ILUAs

The land under EL32885 is subject to the following ILUAs:

- ILUA designated as BGP Douglas North ILUA that was registered on 5 March 2009. Due to standard confidentiality provisions, the terms and conditions of an ILUA are not available for public access, however an excerpt of an ILUA is obtainable. We have obtained the excerpt from the ILUA and confirm that the applicant is Power and Water Corporation, acting on behalf of:

- APT Bonaparte Pty Ltd;
- Arthur Que Noy, Gabriel Hazelbane, Paddy Huddleston and Margaret Foster;
- BGP Tenure Holdings Pty Ltd; and
- Northern Land Council.

The ILUA applies to approximately 3.4km (sq) of land.

- ILUA designated as BGP Northern Land Council ILUA that was registered on 5 March 2009. Due to standard confidentiality provisions, the terms and conditions of an ILUA are not available for public access, however an excerpt of an ILUA is obtainable. We have obtained the excerpt from the ILUA and confirm that the applicant is Power and Water Corporation, acting on behalf of:

- APT Bonaparte Pty Ltd;
- BGP Tenure Holdings Pty Ltd; and
- Northern Land Council.

The ILUA applies to approximately 10.8km (sq) of land.

ANNEXURE C – INDEPENDENT LIMITED ASSURANCE REPORT

4 October 2022

The Board of Directors
DeSoto Resources Limited
10 Outram Street
WEST PERTH WA 6005

Dear Board Members

INDEPENDENT LIMITED ASSURANCE REPORT ON THE HISTORICAL FINANCIAL INFORMATION AND THE PRO FORMA FINANCIAL INFORMATION OF DESOTO RESOURCES LIMITED

Introduction

This Independent Limited Assurance Report ("Report") has been prepared for inclusion in a prospectus to be dated on or around 4 October 2022 ("Prospectus") and issued by DeSoto Resources Limited ("DeSoto Resources" or "the Company") in relation to the Company's initial listing on the Australian Securities Exchange ("ASX"). The Prospectus comprises an offer of 40,000,000 shares at an issue price of \$0.20 each to raise \$8,000,000 before costs ("Offer"). Oversubscriptions of up to a further 20,000,000 shares at an issue price of \$0.20 per share to raise a further \$4,000,00 may be accepted.

This Report has been included in the Prospectus to assist potential investors and their financial advisers to make an assessment of the financial position and performance of DeSoto Resources. All amounts are expressed in Australian dollars and expressions defined in the Prospectus have the same meaning in this Report.

This Report does not address the rights attaching to the shares to be issued in accordance with the Offer, nor the risks associated with accepting the Offer. HLB Mann Judd ("HLB") has not been requested to consider the prospects for DeSoto Resources, nor the merits and risks associated with becoming a shareholder, and accordingly has not done so, nor purports to do so. HLB has not made and will not make any recommendation, through the issue of this Report, to potential investors of the Company, as to the merits of the Offer and takes no responsibility for any matter or omission in the Prospectus other than the responsibility for this Report. Further declarations are set out in Section 7 of this Report.

Structure of Report

This Report has been divided into the following sections:

1. Scope of Report;
2. Directors' Responsibility;
3. Our Responsibility;
4. Conclusions;
5. Restriction on Use;
6. Liability; and
7. Declarations.

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Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

1. Scope of Report

You have requested HLB to perform a limited assurance engagement and to report on the following Financial Information as set out in Section 6 of the Prospectus:

Historical Financial Information

The Historical Financial Information, as set out in Section 6 of the Prospectus, comprises the audited historical consolidated Statement of Financial Position of the Group as at 30 June 2022 and audited historical consolidated Statement of Profit or Loss and Other Comprehensive Income and consolidated Statement of Cash Flows of the Group for the period from incorporation of the Company, 1 April 2022 to 30 June 2022.

Pro Forma Financial Information

The Pro Forma Financial Information, as set out in Section 6 of the Prospectus, comprises the pro forma Statement of Financial Position of the Group as at 30 June 2022 and supporting notes which include the pro forma adjustments.

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Financial Information and the events or transactions to which the pro forma adjustments relate, as if those transactions or events had occurred as at 30 June 2022. Due to its nature, the Pro Forma Financial Information does not represent the Group's actual or prospective financial position, financial performance or cash flows.

The Historical Financial Information and the Pro Forma Financial Information are presented in an abbreviated form insofar as they do not include all the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in Australia in accordance with the *Corporations Act 2001*.

This Report has been prepared for inclusion in the Prospectus. HLB disclaims any assumption of responsibility for any reliance on this Report or on the Financial Information to which this Report relates for any purpose other than the purposes for which it was prepared. This Report should be read in conjunction with the Prospectus.

2. Directors' Responsibility

The Directors of the Company are responsible for the preparation and presentation of the Financial Information. The Directors are also responsible for the determination of the pro forma adjustments set out in Section 6.8 of the Prospectus and the basis of preparation of the Financial Information.

This responsibility also includes compliance with applicable laws and regulations and for such internal controls as the Directors determine are necessary to enable the preparation of the Financial Information that is free from material misstatement.

3. Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Financial Information based on the procedures performed and evidence we have obtained. Our engagement was conducted in accordance with Australian Auditing Standards applicable to assurance engagements. Specifically, our review was carried out in accordance with Standards on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information* and ASAE 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Historical Financial Information* and included such enquiries and procedures which we considered necessary for the purposes of this Report. Our procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures applied to the accounting records in support of the Financial Information.

The procedures undertaken by HLB in our role as Investigating Accountant were substantially less in scope than that of an audit examination conducted in accordance with Australian Auditing Standards. A review of this nature

provides less assurance than an audit and, accordingly, this Report does not express an audit opinion on the Financial Information.

In relation to the information presented in this Report:

- a) support by another person, corporation or an unrelated entity has not been assumed; and
- b) the amounts shown in respect of assets do not purport to be the amounts that would have been realised if the assets were sold at the date of this Report.

4. Conclusions

Historical Financial Information

Based on our review, which was not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information of the Company as set out in Section 6 of the Prospectus does not present fairly:

- a) the historical consolidated Statement of Financial Position of the Group as at 30 June 2022; and
- b) the historical consolidated Statement of Profit or Loss and Other Comprehensive Income and consolidated Statement of Cash Flows of the Group for the period from incorporation of the Company, 1 April 2022 to 30 June 2022;

in accordance with the measurement and recognition requirements (but not all of the presentation and disclosure requirements) of applicable Australian Accounting Standards and other mandatory professional reporting requirements.

Pro Forma Financial Information

Based on our review, which was not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Financial Information of the Group as set out in Section 6 of the Prospectus does not present fairly the pro forma Statement of Financial Position of the Group as at 30 June 2022, which incorporates the pro forma adjustments as set out in Section 6.8 of the Prospectus.

5. Restriction on Use

Without modifying our conclusion, we draw attention to Section 6 of the Prospectus, which describes the purpose of the Financial Information, being for inclusion in the Prospectus. As a result, the Financial Information may not be suitable for use for another purpose.

6. Liability

The liability of HLB is limited to the inclusion of this Report in the Prospectus. HLB makes no representation regarding, and has no liability for, any other statements or other material in, or omissions from, the Prospectus.

7. Declarations

- a) HLB will be paid its usual professional fees based on time involvement, for the preparation of this Report and review of the Financial Information, which is estimated to be \$12,000 plus GST;
- b) Apart from the aforementioned fee, neither HLB, nor any of its associates will receive any other benefits, either directly or indirectly, for or in connection with the preparation of this Report;
- c) Neither HLB, nor any of its employees or associated persons has any interest in DeSoto Resources or the promotion of the Company or any of its subsidiaries;

- d) HLB Mann Judd are the Company's auditors;
- e) Unless specifically referred to in this Report, or elsewhere in the Prospectus, HLB was not involved in the preparation of any other part of the Prospectus and did not cause the issue of any other part of the Prospectus. Accordingly, HLB makes no representations or warranties as to the completeness or accuracy of the information contained in any other part of the Prospectus; and
- f) HLB has consented to the inclusion of this Report in the Prospectus in the form and context in which it appears.

Yours faithfully

HLB Mann Judd
Chartered Accountants

A handwritten signature in black ink, appearing to read 'L Di Giallonardo', written in a cursive style.

L Di Giallonardo
Partner