



Pelsart Resources N.L.

(ACN 009 449 101)

SCHEME BOOKLET

For the scheme of arrangement in relation to the proposed acquisition by Sanfield Holdings Limited of all shares in Pelsart Resources N.L. that are not already owned by Sanfield Holdings Limited

☒ VOTE IN FAVOUR

The Independent Directors unanimously recommend that you **VOTE IN FAVOUR** of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to consider the Scheme to be in the best interests of Scheme Participants. In considering this recommendation you should note that only two of the four Pelsart Directors are independent of Sanfield.¹

This is an important document and requires your immediate attention. If you have any questions as to how to deal with this document please consult your broker, financial adviser or legal adviser, or call the Pelsart Shareholder Information Line on 1300 265 191 (within Australia) or +613 9415 4087 (outside Australia).

If you have sold your Pelsart Shares, please disregard this document.

Legal Adviser to Pelsart Resources N.L.



¹ Two of Pelsart's Directors, Mr Sean Hughes and Dr Enk Ee Tan, are also directors of Sanfield, are therefore not "Independent Directors" and decline to make a recommendation. Pelsart's other directors, Mr James Chan and Mr Richard Tan, are considered "Independent Directors".

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Important notices

Nature of this document

This Scheme Booklet is important. Please read this Scheme Booklet carefully and in its entirety before deciding whether or not to vote in favour of the Scheme Resolution.

This Scheme Booklet explains the terms of the Transaction, which comprises the proposed acquisition of all of the Scheme Shares by Sanfield Holdings Limited (a company registered in Hong Kong with registration number 22103163) by way of a scheme of arrangement under Part 5.1 of the Corporations Act.

This Scheme Booklet also sets out the manner in which the Scheme will be implemented (if all of the conditions to the Scheme are satisfied or (if permitted) waived) and provides such information as is prescribed by law or is otherwise material to the decision of Scheme Participants as to whether or not to vote in favour of the Scheme Resolution.

This Scheme Booklet constitutes an explanatory statement under section 412(1) of the Corporations Act.

If you have sold your Pelsart Shares, please disregard this Scheme Booklet.

Responsibility for information

Except as provided below, the information in this Scheme Booklet has been prepared by Pelsart and is the responsibility of Pelsart. Sanfield and its directors, officers and advisers do not assume any responsibility for the accuracy or completeness of any such information, subject to the following:

- Sanfield has prepared and is responsible for the Sanfield Information. The Independent Directors of Pelsart and Pelsart's officers and advisers:
 - have not verified the Sanfield Information;
 - have relied on Sanfield to verify the Sanfield Information; and
 - do not assume any responsibility for the accuracy or completeness of the Sanfield Information,and accordingly, disclaim responsibility and liability for the Sanfield Information.
- The Independent Expert has provided, and is responsible for, the Independent Expert's Report. Neither Pelsart nor Sanfield assumes any responsibility for the accuracy or completeness of the information contained in the Independent Expert's Report, except in relation to information given by them to the Independent Expert. The Independent Expert does not assume any responsibility for the accuracy or completeness of the information contained in this Scheme Booklet other than that contained in the Independent Expert's Report.
- BDO Corporate Tax (WA) has provided, and is responsible for, the Tax Information. Neither Pelsart nor Sanfield assumes any responsibility for the accuracy or completeness of the information contained in the Tax Information. BDO Corporate

Tax (WA) does not assume any responsibility for the accuracy or completeness of the information contained in this Scheme Booklet other than that contained in the Tax Information.

Regulatory information and role of ASIC

A copy of this Scheme Booklet was provided to the Australian Securities and Investments Commission (**ASIC**) in accordance with section 411(2) of the Corporations Act. This Scheme Booklet has been registered with ASIC under section 412(6) of the Corporations Act before being sent to Scheme Participants.

ASIC has been requested to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that it has no objection to the Scheme. ASIC's policy under Regulatory Guide 60: Schemes of arrangement in relation to statements under section 411(17)(b) of the Corporations Act is that it will not provide such a statement until the Second Court Date. This is because ASIC will not be in a position to advise the Court until it has had an opportunity to observe the entire Scheme process. If ASIC provides that statement, it will be produced to the Court at the Second Court Hearing. Neither ASIC nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

Scheme Order

The fact that, under section 411(1) of the Corporations Act, the Court has ordered that the Scheme Meeting be convened and has approved this Scheme Booklet does not mean that the Court has:

- Formed any view as to the merits of the Scheme or as to how Scheme Participants should vote on the Scheme Resolution (on this matter, Scheme Participants must reach their own decision).
- Prepared, or is responsible for the content of, this Scheme Booklet.

Forward-looking statements and intentions

Certain statements in this Scheme Booklet relate to future matters.

Scheme Participants should be aware that there are risks (both known and unknown), uncertainties, assumptions and other important factors that could cause the actual conduct, results, performance or achievements of Pelsart to be materially different from the future conduct, results, performance or achievements expressed or implied by such statements, or that could cause the future conduct, results, performance or achievements to be materially different from historical conduct, results, performance or achievements.

These risks, uncertainties, assumptions and other important factors include, among other things, the risks set out in section 5.8 of this Scheme Booklet.

Neither Pelsart, Sanfield, nor any of their respective directors, officers or advisers, or any other person, gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Scheme Booklet will actually occur.

Scheme Participants are cautioned about relying on any such forward-looking statements. The forward-looking statements in this Scheme Booklet reflect views held only as at the date of this Scheme Booklet.

Additionally, statements of the intentions of Sanfield reflect present intentions as at the date of this Scheme Booklet and may be subject to change.

Subject to the Corporations Act and any other applicable laws, Pelsart and Sanfield disclaim any duty to update any forward-looking statements other than with respect to information that they become aware of prior to the Scheme Meeting that is material to the making of a decision as to whether or not to vote in favour of the Scheme Resolution.

Investment decisions

This Scheme Booklet does not take into account the investment objectives, financial situation and particular needs of each individual Scheme Participants or any other person. Before making any investment decision in relation to the Scheme, you should consider, with or without the assistance of an independent securities adviser, whether that decision is appropriate in light of your particular investment needs, objectives and financial circumstances.

Tax implications of the Scheme

If the Scheme becomes Effective and will be implemented, there will be consequences for Scheme Participants which may include tax being payable on any gain on disposal of Scheme Shares.

For further detail about the general Australian tax consequences of the Scheme, refer to section 7 of this Scheme Booklet.

Privacy

Pelsart and Sanfield may need to collect personal information to implement the Scheme.

The personal information may include the names, contact details and details of shareholdings of Scheme Participants, together with contact details of individuals appointed as proxies, attorneys or corporate representatives for the Scheme Meeting. The collection of some of this information is required or authorised by the Corporations Act.

The primary purpose of the collection of personal information is to assist Pelsart and Sanfield to conduct the Scheme Meeting and implement the Scheme.

The information may be disclosed to Pelsart and Sanfield and their respective Related Bodies Corporate; and advisers, print and mail service providers, share registries, securities brokers and any other service provider to the extent necessary to effect the Scheme.

Scheme Participants who are individuals, and other individuals in respect of whom personal information is collected, have certain rights to access the personal information collected about them. Scheme Participants may contact the Share Registry if they wish to exercise these rights.

If the information outlined above is not collected, Pelsart may be hindered in, or prevented from, conducting the Scheme Meeting or implementing the Scheme. Scheme Participants who appoint an individual as their proxy,

attorney or corporate representative to vote at the Scheme Meeting should inform that individual of the matters outlined above.

Glossary and defined terms

Capitalised terms used in this Scheme Booklet are defined in the Glossary in section 10 of this Scheme Booklet. This section also sets out rules of interpretation that apply to this Scheme Booklet. Unless expressly stated otherwise, the Glossary does not apply to the Annexures.

The Independent Expert's Report set out in Annexure E has its own defined terms and those defined terms are sometimes different to the defined terms in the Glossary.

Currency

All references to “\$”, “AUD”, “A\$” or “dollar” are references to Australian currency unless otherwise indicated.

Rounding

The calculation of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet are subject to the effects of rounding. Accordingly, their actual calculation may differ from the calculations set out in this Scheme Booklet.

Timing

All references to time are to the time in Perth, Western Australia, unless otherwise indicated.

Important dates and expected timetable for the scheme

Event	Date and time
Date of this Scheme Booklet	24 June 2024
Latest time and date for receipt of proxy forms or powers of attorney by the Share Registry for the Scheme Meeting	10:00am (AWST) on 20 July 2024
Time and date for determining eligibility to vote at the Scheme Meeting	5:00pm (AWST) on 20 July 2024
Scheme Meeting for approval of the Scheme by Scheme Participants	10:00am (AWST) on 22 July 2024
Second Court Hearing for approval of the Scheme by the Court	25 July 2024
Effective Date The date on which the Scheme becomes legally effective and is binding on Scheme Participants Scheme Order lodged with ASIC	26 July 2024
Scheme Record Date (date for determining entitlement to Scheme Consideration)	5:00pm (AWST) on 2 August 2024
Implementation Date (payment of Scheme Consideration)	9 August 2024

All dates following the date of the Scheme Meeting are indicative only and, among other things, are subject to all necessary approvals from the Court and any other Government Agencies. The actual timetable will depend on many factors outside the control of Pelsart and Sanfield, including the Court approval process and satisfaction of other conditions. Pelsart reserves the right to vary the times and dates set out in the timetable above. Any changes to the above timetable (which may include an earlier or later date for the Second Court Hearing) will be set out on Pelsart's website (<https://www.pelsart.com.au>).

Letter from the Independent Directors of Pelsart

24 June 2024

Dear Scheme Participant

On behalf of Pelsart, we are pleased to present you with this Scheme Booklet to assist in your decision as to how to vote on the Scheme Resolution at the Scheme Meeting, which will be held at 10:00am (AWST) on Monday, 22 July 2024 at Swan Room, Parmelia Hilton Perth, 14 Mill Street, Perth Western Australia and through an online platform at investor.automic.com.au.

Details of how to login and access the online platform are contained in the Notice of Scheme Meeting set out at Annexure D of this Scheme Booklet.

For the reasons set out in this Scheme Booklet, the Independent Directors unanimously recommend that you VOTE IN FAVOUR of the Scheme Resolution at the Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to consider the Scheme to be in the best interests of Scheme Participants.

What will you receive under the Scheme?

The Scheme is subject to a number of conditions, including the approval of the Scheme by Scheme Participants at the Scheme Meeting and by the Court. If the conditions are satisfied or (if permitted) waived, Scheme Participants will receive the Scheme Consideration of \$0.035 for each Scheme Share they hold on the Scheme Record Date (which is expected to be 5:00pm (AWST) on 2 August 2024). The Scheme Consideration will then be paid to Scheme Participants on the Implementation Date (which is expected to be 9 August 2024).

What do the Independent Directors recommend?

As you are aware, the Pelsart Board formed the Independent Scheme Committee, comprising Mr James Chan and Mr Richard Tan, for the purposes of implementing the Scheme in accordance with the provisions of the Scheme Implementation Deed and the requirements of Part 5.1 of the Corporations Act.

The Independent Directors unanimously recommend that you VOTE IN FAVOUR of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to consider the Scheme to be in the best interests of Scheme Participants.

The other directors of Pelsart, Mr Sean Hughes and Dr Enk Ee Tan, who are also directors of Sanfield and not “independent directors”, refrain from making a recommendation to Scheme Participants in relation to the Scheme given their material personal interest in Sanfield.

Why should you vote IN FAVOUR of the Scheme Resolution at the Scheme Meeting?

Reasons why you should VOTE IN FAVOUR of the Scheme Resolution at the Scheme Meeting include:

- The Independent Directors unanimously recommend that you vote in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to consider the Scheme to be in the best interests of Scheme Participants.
- The Independent Expert has concluded that the Scheme is in the best interests of Scheme Participants, in the absence of a superior proposal.
- The Scheme Consideration presents an opportunity for Scheme Participants to realise certain cash value for their Scheme Shares.

- A Competing Proposal is considered unlikely and no Superior Proposal has emerged as at the date of this Scheme Booklet.
- You will not incur any brokerage or Stamp Duty on the transfer of your Scheme Shares under the Scheme.

More detailed reasons why you should VOTE IN FAVOUR of the Scheme Resolution are set out in section 1.2.

Why you might consider voting AGAINST the Scheme Resolution at the Scheme Meeting

There are also reasons why you may choose to vote AGAINST the Scheme Resolution, which are set out in section 1.3.

Reasons why you might consider voting against the Scheme Resolution include:

- You may disagree with your Independent Directors' recommendation and the Independent Expert's conclusion.
- If the Scheme is implemented, you will no longer participate in any potential upside from being a Pelsart Shareholder.
- Implementation of the Scheme precludes the possibility of receiving the benefit of any future, potentially more favourable, proposal for your Scheme Shares.
- The tax consequences of the Scheme may not be suitable to your financial position.

What are the next steps?

The Scheme is subject to a number of conditions, including the approval of the Scheme by Scheme Participants at the Scheme Meeting.

Your vote is important for the Scheme to proceed.

We strongly encourage you to exercise your right to vote on this important Transaction.

See the Notice of Scheme Meeting contained in Annexure D of this Scheme Booklet for details of how to vote at the Scheme Meeting.

Further information

We encourage you to read this Scheme Booklet carefully and in its entirety, as this Scheme Booklet contains important information that you should consider before you vote on the Scheme Resolution.

Please consult your broker, financial adviser or legal adviser before making an investment decision in relation to your Scheme Shares.

If you have any questions about this Scheme Booklet or the Scheme, please contact the Pelsart Shareholder Information Line on 1300 265 191 (within Australia) or +613 9415 4087 (outside Australia).

Yours sincerely,



James Chan and Richard Tan
Directors
Pelsart Resources NL

1. Considerations relevant to your vote

1.1. Summary

Reasons to vote in favour of the Scheme Resolution

- The Independent Directors unanimously recommend that you vote in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to consider the Scheme to be in the best interests of Scheme Participants.
- The Independent Expert has concluded that the Scheme is in the best interests of Scheme Participants, in the absence of a superior proposal.
- The Scheme Consideration presents an opportunity for Scheme Participants to realise certain cash value for their Scheme Shares.
- A Competing Proposal is considered unlikely and no Superior Proposal has emerged as at the date of this Scheme Booklet.
- You will not incur any brokerage or Stamp Duty on the transfer of your Scheme Shares under the Scheme.
- These reasons are discussed in more detail in section 1.2.

Potential reasons why you may choose to vote against the Scheme Resolution

- You may disagree with your Independent Directors' recommendation and the Independent Expert's conclusion.
- If the Scheme is implemented, you will no longer participate in any potential upside that may result from being a Pelsart Shareholder.
- Implementation of the Scheme will preclude the possibility of receiving the benefit of any future, potentially more favourable, proposal for your Scheme Shares.
- The tax consequences of the Scheme may not be suitable for you.
- These reasons are discussed in more detail in section 1.3.

1.2. Reasons to vote in favour of the Scheme Resolution

- (a) **The Independent Directors unanimously recommend that you vote in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to consider the Scheme to be in the best interests of Scheme Participants**

The Independent Directors consider that the Scheme is in the best interests of Scheme Shareholders and unanimously recommend that you vote in favour of the Scheme Resolution at the Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to consider the Scheme to be in the best interests of Scheme Participants.

In reaching their recommendation and determining how to vote on the Scheme Resolution, the Independent Directors have assessed the Scheme having regard to the reasons to vote in favour of, or against, the Scheme Resolution, as set out in this Scheme Booklet.

(b) **The Independent Expert has concluded that the Scheme is in the best interests of Scheme Participants, in the absence of a superior proposal.**

The Independent Scheme Committee of the Pelsart Board appointed the Independent Expert to prepare the Independent Expert's Report, including an opinion as to whether the Scheme is in the best interests of Scheme Participants.

The Independent Expert has considered the terms of the Scheme and has concluded that, in the absence of an alternative offer, the Scheme is fair and reasonable for Shareholders. Therefore, in the absence of a superior proposal, the Independent Expert considers the Scheme to be in the best interest of Shareholders.

The Independent Expert has assessed the value of a Pelsart Share prior to the Scheme on a controlling interest basis to be in the range of \$0.017 (low) to \$0.027 (high) per Scheme Share, with a preferred value of \$0.022 per Scheme Share. The Scheme Consideration of \$0.035 per Scheme Share is greater than this value range.

(c) **The Scheme Consideration provides you with certainty as to the value of your Scheme Shares**

The Scheme Consideration of \$0.035 per Scheme Share provides you with certainty of value and certainty of timing in relation to the receipt of the Scheme Consideration. It allows Scheme Participants to realise certain cash value for their Scheme Shares, which may not be possible if the Scheme is not implemented. If the Scheme becomes Effective, the Scheme Consideration will be paid on the Implementation Date (which is expected to be 9 August 2024).

In contrast, if the Scheme is not implemented, the amount Scheme Participants will be able to realise for their Scheme Shares will be uncertain, as the value of Pelsart Shares will continue to be subject to risks, including the general and specific risks set out in section 5.8 of this Scheme Booklet.

(d) **A Competing Proposal is considered unlikely and no Superior Proposal has emerged**

As at the date of this Scheme Booklet, the Independent Directors are not aware of any Competing Proposal, and are not in any discussions that could lead to a Competing Proposal. Your Directors consider that a Superior Proposal is unlikely to emerge prior to the Scheme Meeting given Sanfield's 92.91% majority shareholding interest in Pelsart.

Until the date of the Second Court Hearing, there is nothing preventing other parties from making unsolicited Competing Proposals for Pelsart.

Although Pelsart has agreed with Sanfield to certain exclusivity provisions that restrict it from soliciting or inviting, or engaging with, the proponent of a Competing Proposal, these restrictions do not prevent Pelsart from considering an unsolicited Competing Proposal that is or would reasonably be expected to result in a Superior Proposal. Sanfield has the right, but not the obligation, to match any Competing Proposal.

If a Competing Proposal for Pelsart emerges prior to the Second Court Hearing, the Independent Directors will carefully consider that proposal and will inform you of any material developments that may affect the Independent Directors' view that the Scheme is presently the most favourable proposal for all your Scheme Shares.

(e) **You will not incur any brokerage or Stamp Duty on the transfer of your Scheme Shares under the Scheme**

You will not incur any brokerage or Stamp Duty on the transfer of your Scheme Shares pursuant to the Scheme.

1.3. Reasons you may choose to vote against the Scheme Resolution

Although the Independent Directors unanimously recommend that you vote in favour of the Scheme Resolution and the Independent Expert has concluded that the Scheme is in the best interests of Scheme Participants, in both instances in the absence of a Superior Proposal, there may be factors which lead you to vote against the Scheme Resolution, including those set out below.

(a) **You may disagree with your Independent Directors' recommendation and the Independent Expert's conclusion**

In concluding that the Scheme is in the best interests of Scheme Participants, in the absence of a Superior Proposal, your Directors and the Independent Expert are making judgements based on future trading conditions and events that cannot be predicted with certainty and that may prove to be inaccurate (either positively or negatively).

You may hold a different view from, and are not obliged to follow the recommendation of, the Independent Directors, and may not agree with the Independent Expert's conclusions.

Your Independent Directors' recommendation also does not take into account the investment objectives, financial situation and particular needs of each individual Scheme Participant or any other person. Before making any investment decision in relation to the Scheme, you should consider, with or without the assistance of an independent securities adviser, whether that decision is appropriate in light of your particular investment needs, objectives and financial circumstances.

(b) **If the Scheme is implemented, you will no longer participate in any potential upside from being a Pelsart Shareholder**

If the Scheme is implemented, your Scheme Shares will be acquired by Sanfield, and you will cease to be a Pelsart Shareholder. Consequently, you will no longer be entitled to participate in the future financial performance of Pelsart or exercise the rights of a Pelsart Shareholder. There are risks associated with retaining an investment in Pelsart. For further information in relation to these risks, refer to section 5.8 of this Scheme Booklet.

(c) **Implementation of the Scheme precludes the possibility of receiving the benefit of any future, potentially more favourable, proposal for your Scheme Shares**

As at the date of this Scheme Booklet, your Directors are not aware of any Competing Proposal, and are not in any discussions that could lead to a Competing Proposal.

Your Directors consider that a Superior Proposal is unlikely to emerge for the reasons detailed in section 1.2(d) above.

(d) **The tax consequences of the Scheme may not be suitable to your financial position**

Implementation of the Scheme may have tax implications for Scheme Participants, some of which may be adverse. Please carefully read and consider section 7 of this Scheme Booklet, which sets out the Australian tax consequences of the Scheme. Scheme Participants should not rely on the disclosure of taxation considerations in section 7 as being advice on their own affairs. Please consult with your own independent taxation adviser regarding the taxation implications of the Scheme.

1.4. Other relevant considerations

(a) Conditions

The Scheme is subject to a number of conditions. These conditions are summarised in sections 3 and 4.5 of this Scheme Booklet, and set out in full in clause 4 of the Scheme Implementation Deed, which is contained in Annexure A of this Scheme Booklet.

If these conditions are not satisfied or (if permitted) waived before the Second Court Hearing, the Scheme will not be implemented and Scheme Participants will not receive the Scheme Consideration.

As at the date of this Scheme Booklet, the Pelsart Board is not aware of any matter that would result in the non-fulfilment of the conditions.

(b) The Scheme may proceed even if you vote against it

The Scheme will be implemented if the conditions are satisfied or (if permitted) waived, irrespective of whether you do not vote or you vote against the Scheme Resolution at the Scheme Meeting.

If this occurs, your Scheme Shares will be transferred to Sanfield and you will receive the Scheme Consideration.

(c) Pelsart's transaction costs

The aggregate amount of fees and expenses expected to be incurred by Pelsart in connection with the Scheme is estimated to be approximately \$600,000 (exclusive of GST). These costs are not conditional on the Scheme being implemented. The substantial majority of these costs have already been incurred by Pelsart as at the date of this Scheme Booklet or will be incurred and payable by Pelsart regardless of whether or not the Scheme is implemented following the Scheme Meeting.

(d) Exclusivity arrangements

The following is a summary only of the exclusivity arrangements agreed to in the Scheme Implementation Deed. The full terms of these exclusivity arrangements are set out in clause 13 of the Scheme Implementation Deed.

The Scheme Implementation Deed includes exclusivity arrangements which apply from the date of the Scheme Implementation Deed until the earlier of the End Date (being 31 October 2024, or such other date as agreed between Pelsart and Sanfield), the Effective Date (being the date on which the scheme becomes effective), or termination of the Scheme Implementation Deed (**Exclusivity Period**).

The Exclusivity arrangements include customary exclusivity provisions including no-shop, no-talk and due diligence restrictions, with the no talk and due diligence provisions being subject to customary fiduciary carve-outs.

During the Exclusivity Period, Pelsart must ensure that neither it nor its Representatives directly or indirectly:

- (i) solicits, invites, encourages or initiates any enquiries, negotiations or discussions; or
- (ii) communicates any intention to do any of those things,

with a view to obtaining any offer, proposal or expression of interest from any person in relation to, or which may be reasonably expected to lead to a competing Proposal.

During the Exclusivity Period, Pelsart must promptly (and in any event within two Business Days) notify Sanfield in writing if Pelsart or any of its Representatives receive any approach, inquiry or proposal made by any person to, to initiate any discussions or negotiations that could reasonably be expected to lead to, a Competing Proposal.

2. Voting at the Scheme Meeting and choices of Scheme Participants

2.1. The Scheme Meeting

The Scheme can only be implemented if the Scheme Resolution is passed by the Requisite Majorities at the Scheme Meeting.

The Scheme Meeting will be held as a hybrid meeting at 10:00am (AWST) on Monday, 22 July 2024 at Swan Room, Parmelia Hilton Perth, 14 Mill Street, Perth Western Australia and through an online platform at investor.automic.com.au.

Details regarding the Scheme Meeting are set out in the Notice of Scheme Meeting (which is contained in Annexure D to this Scheme Booklet).

2.2. Voting entitlement

Each Scheme Participant who is registered on the Register at 5:00pm (AWST) on 20 July 2024 is entitled to attend and vote at the Scheme Meeting.

In the case of jointly held Scheme Shares, only one of the joint shareholders is entitled to vote. If more than one Scheme Participant votes in respect of jointly held Scheme Shares, only the vote of the Scheme Participant whose name appears first in the Register will be counted.

2.3. How to vote

You may vote on the Scheme by either:

- Attending the Scheme Meeting in person.
- Attending and voting via the online virtual meeting platform at investor.automic.com.au.
- Proxy, attorney, or (in the case of a corporation that is a Scheme Participant) by corporate representative appointed in accordance with the Corporations Act.

Relevant details in respect of each of these methods are set out below.

Voting in person

To vote in person, you must attend the Scheme Meeting. If you attend, you will be admitted to the Scheme Meeting and given a voting card at the point of entry to the meeting upon disclosing your name and address. Please bring a form of personal identification with you, such as your driver's licence.

Voting online

To vote online, you must participate in the Scheme Meeting via the online platform at investor.automic.com.au on your smartphone, tablet or computer. You will need the latest versions of Chrome, Safari, Edge or Firefox. Please ensure your browser is compatible. Online registration will open 30 minutes before the Scheme Meeting.

Details of how to login and access the Scheme Meeting is set out in the Notice of Scheme Meeting set out in Annexure D.

Voting by proxy

To vote by proxy, you must complete and return the personalised proxy forms enclosed with this Scheme Booklet by the specified deadline, in accordance with the instructions on each of the forms. You may appoint an individual or body corporate as your proxy.

The proxy form must be received by the Share Registry by no later than 10:00am (AWST) on 20 July 2024.

Voting by attorney

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

Voting by corporate representative

For a body corporate to vote by corporate representative, the representative must have a duly executed appointment that complies with the requirements of the Corporations Act. The representative should bring this appointment to the meeting.

Lodgement of proxy forms and powers of attorney

To be effective, completed proxy forms, powers of attorney and authorities must be received by the Share Registry in any of the following ways at least 48 hours before the time for holding the Scheme Meeting (that is, by 10:00am (AWST) on 20 July 2024), or if the Scheme Meeting is adjourned, at least 48 hours before the resumption of the Scheme Meeting by one of the following methods:

- By post to:

Pelsart Resources N.L.
C/- Automic
GPO Box 5193
Sydney NSW 2001
- By Email: meetings@automicgroup.com.au

2.4. Your choices

As a Scheme Participant, you have two choices available to you.

Option 1: Vote at the Scheme Meeting

You can vote at the Scheme Meeting by attending the Scheme Meeting in person, through the online platform, or by proxy, attorney, or (in the case of a corporation that is a Scheme Participant) by corporate representative appointed in accordance with the Corporations Act, in respect of some or all of your Scheme Shares. Details of how to vote at the Scheme Meeting are set out in section 2.3. You may vote in favour of, or against, the Scheme Resolution.

If you vote against the Scheme Resolution and the Scheme Resolution is passed by the Requisite Majorities and the other conditions to the Scheme are satisfied or (if permitted) waived, then any Scheme Shares held by you on the Scheme Record Date will be transferred to Sanfield, and you will receive the Scheme Consideration (even though you voted against the Scheme Resolution).

Option 2: Do nothing

If you do not wish to vote for or against the Scheme Resolution, or otherwise sell your Scheme Shares, you may choose to do nothing.

If you do nothing and the Scheme Resolution is passed by the Requisite Majorities and the other conditions to the Scheme are satisfied or (if permitted) waived, then any Scheme Shares held by you on the Scheme Record Date will be transferred to Sanfield, and you will be paid the Scheme Consideration (notwithstanding that you did not vote in favour of the Scheme Resolution).

2.5. What to do next

Read the remainder of this Scheme Booklet

Please read and consider the remainder of this Scheme Booklet in full before making any decision on whether to vote in favour of the Scheme Resolution. If you have any questions regarding this Scheme Booklet or the Scheme, please consult your broker, financial adviser or legal adviser, or call the Pelsart Shareholder Information Line on 1300 265 191 (within Australia) or +613 9415 4087 (outside Australia).

Consider your options

Scheme Participants should refer to sections 1.2 and 1.3 of this Scheme Booklet for further guidance on the expected advantages and possible disadvantages of the Scheme. However, please note that this Scheme Booklet does not take into account the investment objectives, financial situation and particular needs of any individual Scheme Participant.

3. Frequently asked questions

This section answers some questions Scheme Participants may have about the Transaction. It is not intended to address all relevant issues for Scheme Participants. This section should be read together with the other parts of this Scheme Booklet.

Question	Answer
AN OVERVIEW OF THE SCHEME	
What is the Scheme?	<p>The Scheme is a scheme of arrangement between Pelsart and Scheme Participants under Part 5.1 of the Corporations Act.</p> <p>If the Scheme becomes Effective:</p> <ul style="list-style-type: none"> All of the Scheme Shares held by Scheme Participants will be transferred to Sanfield without any need for action by Scheme Participants and Pelsart will become a wholly owned subsidiary of Sanfield. Scheme Participants will receive the Scheme Consideration. <p>To become Effective, a number of conditions must be satisfied or (if permitted) waived. The conditions to the Scheme are summarised in this section 3 and section 4.5 of this Scheme Booklet and are set out in full in clause 4.1 of the Scheme Implementation Deed, which is contained Annexure A of this Scheme Booklet.</p>
Who is Sanfield?	<p>Sanfield is a company incorporated and registered in Hong Kong with business registration number 22103163 and a wholly owned subsidiary of Primecorp Enterprises Limited. Sanfield is the majority shareholder in Pelsart, with a current shareholding interest of 92.91%.</p> <p>See section 6 of this Scheme Booklet for further information regarding Sanfield.</p>
What approvals are required at the Scheme Meeting?	<p>The Scheme will only be implemented if the Scheme is approved by the Requisite Majorities at the Scheme Meeting.</p> <p>Section 4 and section 8.3 of this Scheme Booklet provide further details in relation to the Scheme Resolution (including the required voting majorities and voting restrictions for the Scheme Resolution).</p>
SCHEME CONSIDERATION	
What consideration will I receive if the Scheme is implemented?	<p>Scheme Participants will be paid the Scheme Consideration of \$0.035 for each Scheme Share they hold as at the Scheme Record Date (which is expected to be 5:00pm (AWST) on 2 August 2024).</p>
How will Sanfield fund the Scheme Consideration?	<p>The funding for the Scheme Consideration will be obtained from Sanfield's parent company, Primecorp.</p> <p>For further details in relation to the proposed funding of the Scheme Consideration, refer to section 6.6 of this Scheme Booklet.</p>
Is Sanfield bound to pay the Scheme Consideration?	<p>Yes. Under the Scheme, if the Scheme becomes Effective:</p>

Question	Answer
	<ul style="list-style-type: none"> Sanfield must, by no later than two Business Days before the Implementation Date, deposit in cleared funds into the Scheme Trust Account an amount equal to the aggregate amount of the total Scheme Consideration payable to all Scheme Shareholders. Pelsart must, on the Implementation Date and subject to Sanfield having deposited the requisite funds, pay or procure the payment of the Scheme Consideration to each Scheme Participant from the Scheme Trust Account.
When will I receive the Scheme Consideration?	<p>If the Scheme becomes Effective, Scheme Participants will be paid the Scheme Consideration of \$0.035 per each Scheme Share on the Implementation Date (which is expected to be 9 August 2024).</p> <p>You should be aware that if the Scheme Meeting is adjourned or the Effective Date is otherwise delayed, the payment of the Scheme Consideration will also be delayed.</p>
How will I receive the payment of the Scheme Consideration?	<p>Pelsart will make each payment by either:</p> <ul style="list-style-type: none"> Sending (or procuring the Share Registry to send) the payment to the Scheme Participant's Registered Address by cheque in Australian currency drawn out of the Scheme Trust Account. Depositing (or procuring the Share Registry to deposit) the payment into an account with any Australian ADI (as defined in section 9 of the Corporations Act) notified to Pelsart (or the Share Registry) by an appropriate authority from the Scheme Participants.
What are the tax implications of the Scheme?	<p>Implementation of the Scheme may have tax implications for Scheme Participants, some of which may be adverse. Please carefully read and consider section 7 of this Scheme Booklet, which sets out the Australian tax consequences of the Scheme. Scheme Participants should not rely on the disclosure of taxation considerations in section 7 as being advice on their own affairs. Scheme Participants should consult with their own independent taxation advisers regarding the taxation implications of the Scheme.</p>
SCHEME MEETING, VOTING AND APPROVALS	
When and where will the Scheme Meeting be held?	<p>The Scheme Meeting will be held as a hybrid meeting at 10:00am (AWST) on Monday, 22 July 2024 at Swan Room, Parmelia Hilton Perth, 14 Mill Street, Perth Western Australia and online at investor.automic.com.au.</p>
What am I being asked to vote on?	<p>Scheme Participants are being asked to vote on the Scheme Resolution, to approve the Scheme.</p> <p>The text of the Scheme Resolution is set out in the Notice of Scheme Meeting, which is contained in Annexure D of this Scheme Booklet.</p>

Question	Answer
What vote is required to approve the Scheme?	<p>For the Scheme to be approved by Scheme Participants at the Scheme Meeting, the Scheme Resolution must be passed by the Requisite Majorities, being both:</p> <ul style="list-style-type: none"> • A majority in number (that is more than 50%) of Scheme Participants who vote at the Scheme Meeting (either in person or by proxy or corporate representative), unless the Court orders otherwise. • At least 75% of the total number of Scheme Shares voted by Scheme Participants at the Scheme Meeting (either in person or by proxy or corporate representative). <p>Even if the Scheme Resolution is passed by the Requisite Majorities at the Scheme Meeting, the Scheme will only be implemented if the other conditions to Scheme are satisfied or (if permitted) waived (see section 4.5 of this Scheme Booklet for the conditions to which the Scheme is subject).</p>
What are the voting restrictions?	<p>Each person who is a Scheme Participant as at 5:00pm (AWST) on 20 July 2024 is entitled to vote at the Scheme Meeting.</p>
How do I vote?	<p>Scheme Participants may vote on the Scheme Resolution in one of the following ways:</p> <ul style="list-style-type: none"> • In person, by attending the Scheme Meeting. • Online, by attending and voting via the online virtual meeting platform at investor.automic.com.au. • By proxy, by completing and lodging the proxy form accompanying this Scheme Booklet so that it is received by 10:00am (AWST) on 20 July 2024. • By a corporate representative (in the case of a corporate Scheme Participant). <p>Voting is not compulsory. However, your vote is important. Even if you do not vote or you vote against the Scheme Resolution, the Scheme may still be implemented if the Scheme Resolution is passed by the Requisite Majorities and the other conditions to Scheme are satisfied or (if permitted) waived.</p> <p>For further information in relation to voting at the Scheme Meeting, see section 2 of this Scheme Booklet, and the Notice of Scheme Meeting, which is contained in Annexure D.</p>
What happens if I do not vote, or if I vote against the Scheme?	<p>Even if you do not vote or you vote against the Scheme Resolution, the Scheme may still be implemented if the Scheme Resolution is passed by the Requisite Majorities and the other conditions to the Scheme are satisfied or (if permitted) waived.</p> <p>Accordingly, you may still be bound by the Scheme even if you do not vote or you vote against the Scheme Resolution.</p>
When will the results of the Scheme Meeting be available?	<p>The results of the Scheme Meeting will be announced to Scheme Participants shortly after the conclusion of the Scheme Meeting.</p>

Question	Answer
	Pelsart will make the results of the meeting available at the Company's website, https://pelsart.com.au/
VOTING CONSIDERATIONS FOR THE SCHEME RESOLUTION	
What do your Directors recommend?	The Independent Directors unanimously recommend that Scheme Participants VOTE IN FAVOUR of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to consider the Scheme to be in the best interests of Scheme Participants.
What is the opinion of the Independent Expert?	The Independent Expert has concluded that the Scheme is in the best interests of Scheme Participants, in the absence of a superior proposal. The Independent Expert's Report is set out in Annexure E.
Why should I vote in favour of the Scheme?	Reasons why you should consider voting in favour of the Scheme Resolution are set out in section 1.2 of this Scheme Booklet.
Why might I consider not voting in favour of the Scheme?	Reasons why you might consider not voting in favour of the Scheme Resolution are set out in section 1.3 of this Scheme Booklet.
Is there any Competing Proposal?	As at the date of this Scheme Booklet, your Directors are not aware of any Competing Proposal, and are not in any discussions that could lead to a Competing Proposal. Your Directors consider that a Superior Proposal is unlikely to emerge given Sanfield's 92.91% majority shareholding interest in Pelsart.
What happens if a Competing Proposal emerges?	Until the date of the Second Court Hearing, there is nothing preventing other parties from making unsolicited Competing Proposals for Pelsart. Although Pelsart has agreed to certain exclusivity provisions that restrict it from soliciting or inviting, or engaging with, the proponent of a Competing Proposal, these restrictions do not prevent Pelsart from considering an unsolicited Competing Proposal that is or would reasonably be expected to result in a Superior Proposal. Sanfield has the right, but not the obligation, to match any Competing Proposal. If a Competing Proposal for Pelsart emerges prior to the Second Court Hearing, the Independent Directors will carefully consider that proposal and will inform you of any material developments that may affect the Independent Directors' view that the Scheme is the most favourable proposal for all your Scheme Shares.
CONDITIONS AND IMPLEMENTATION OF THE SCHEME	
What are the conditions to the Scheme?	The Scheme is subject to a number of conditions, including: <ul style="list-style-type: none"> • The Scheme being approved by Scheme Participants at the Scheme Meeting. • The Scheme being approved by the Court at the Second Court Hearing.

Question	Answer
	<ul style="list-style-type: none"> • No Pelsart Prescribed Occurrence occurring. • All required Regulatory Approvals being obtained. • The Independent Expert concluding that the Scheme is in the best interests of Scheme Participants. <p>The conditions to the Scheme are summarised in section 4.5 of this Scheme Booklet and set out in full in clause 4.1 of the Scheme Implementation Deed, which is contained in Annexure A of this Scheme Booklet.</p>
When will the Scheme become Effective?	The Scheme will become Effective on the date on which the Scheme Order approving the Scheme is lodged with ASIC (which is expected to occur on 26 July 2024).
What happens on the Implementation Date?	<p>On the Implementation Date (which is expected to be 9 August 2024):</p> <ul style="list-style-type: none"> • Sanfield will become the holder of all the Scheme Shares. • Scheme Shareholders will be paid the Scheme Consideration.
What happens if the Scheme is not implemented?	<p>If the Scheme is not implemented:</p> <ul style="list-style-type: none"> • You will not receive the Scheme Consideration. • You will retain your Scheme Shares and continue to have exposure to the benefits and risks associated with an investment in Pelsart.
ADDITIONAL INFORMATION	
Will I need to pay brokerage or stamp duty?	You will not incur any brokerage or Stamp Duty on the transfer of your Scheme Shares under the Scheme.
Is there a number that I can call if I have further queries about the Scheme?	If you have any questions about this Scheme Booklet or the Scheme, please call the Pelsart Shareholder Information Line on 1300 265 191 (within Australia) or +613 9415 4087 (outside Australia).

4. Summary of the Scheme

4.1. Background

On 15 March 2024, Pelsart and Sanfield entered into the Scheme Implementation Deed under which it is proposed Sanfield would acquire 100% of the issued capital of Pelsart (other than the shares it already holds). Pelsart and Sanfield agreed to amend and restate the Scheme Implementation Deed on 6 June 2024.² The Scheme Implementation Deed sets out the obligations of Pelsart and Sanfield in connection with the implementation of the Scheme. A copy of the Scheme Implementation Deed is included as Annexure A to this Scheme Booklet.

This Scheme Booklet has been prepared pursuant to section 412(1) of the Corporations Act to explain the effect of the Scheme between Pelsart and Scheme Participants.

4.2. If the Scheme is implemented

If the Scheme becomes Effective:

- All of the Scheme Shares held by Scheme Participants will be transferred to Sanfield without any need for action by Scheme Participants and Pelsart will become a wholly owned subsidiary of Sanfield.
- Scheme Participants will receive the Scheme Consideration.

To become Effective, a number of conditions must either be satisfied or (if permitted) waived. These conditions are summarised in section 4.5 of this Scheme Booklet and set out in clause 4.1 of the Scheme Implementation Deed, which is contained in Annexure A to this Scheme Booklet.

4.3. Payment of the Scheme Consideration

If the Scheme becomes Effective:

- Sanfield must, by no later than two Business Days before the Implementation Date, deposit in cleared funds into the Scheme Trust Account an amount equal to the aggregate amount of the total Scheme Consideration payable to all Scheme Participants.
- Pelsart must, on the Implementation Date and subject to Sanfield having deposited the requisite funds, pay or procure the payment of the Scheme Consideration to each Scheme Participant from the Scheme Trust Account.

Pelsart will make each payment by either:

- Sending (or procuring the Share Registry to send) it to the Scheme Participant's Registered Address by cheque in Australian currency drawn out of the Scheme Trust Account.
- Depositing (or procuring the Share Registry to deposit) it into an account with any Australian ADI (as defined in section 9 of the Corporations Act) notified to Pelsart (or the Share Registry) by an appropriate authority from the Scheme Participant.

In the case of Scheme Shares held in joint names:

² The material amendments to the Scheme Implementation Deed comprised amendments to the proposed timetable for implementing the Scheme and amendments to the Scheme as proposed by the Scheme Implementation Deed to clarify that the Pelsart Shares held by Sanfield are not Scheme Shares and that Sanfield is not a Scheme Participant.

- Any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to the Scheme Participant whose name appears first in the Register as at the Scheme Record Date.
- Any other document required to be sent under this Scheme, will be forwarded, at the sole discretion of Pelsart, either to the holder whose name appears first in the Register as at the Scheme Record Date or to the joint holders.

Where the calculation of the amount Scheme Consideration to be paid to a particular Scheme Participant would result in the Scheme Participant becoming entitled to an additional amount of \$0.005, the amount of Scheme Consideration paid to that Scheme Participant will be rounded down to the nearest \$0.01 amount.

4.4. If the Scheme is not implemented

If the Scheme does not become Effective, Scheme Participants will continue to hold their Scheme Shares and not receive the Scheme Consideration. In the absence of any Superior Proposal to the Scheme, there is a risk that Scheme Participants will not be able to realise a price for all of their Scheme Shares.

If the Scheme is not implemented, Pelsart will continue as a majority owned subsidiary of Sanfield, and there is a risk that Scheme Participants will have their interests in Pelsart diluted. As further described in sections 5.2 and 6.5, Pelsart's major asset is a 70% interest in PT Pelsart Tambang Kencana (**PTK**). PTK is developing a gold and silver mine in Kalimantan, Indonesia. Exploration and development of the potential mine has cost US\$65.1 million up to 31 December 2023 and is expected to cost an additional US\$202 million over the next three years in order to get a mine into production and cash flow positive. To date, Pelsart's share of these costs has been financed by loans provided by a minority shareholder of PTK (being a related party of Sanfield), as Pelsart has not had the financial resources to meet its 70% share of the commitment.

Sanfield has proposed the Scheme effectively to acquire all of the Pelsart Shares which it does not already own, because Sanfield considers that the loans advanced to PTK by the related party of Sanfield will in due course need to convert to equity in either PTK or Pelsart (because the related party of Sanfield will expect equity returns for the financial risks it has taken). The conversion of these loans to equity, or repayment of these loans, would most likely result in an increase in Sanfield's shareholding interest in Pelsart and a dilution of the interests of other shareholders, because in circumstances where Sanfield already has a shareholding interest of 92.91%, the most feasible (and possibly only) means of Pelsart raising sufficient equity capital to convert or repay the loans would be pursuant to a rights issue of Pelsart shares where the rights issue is underwritten and/or committed to by Sanfield in respect of its entitlement; but inevitably, in any rights issue, not all shareholders of Pelsart will subscribe for their entitlements to the rights issue.

If Scheme Participants continue to hold Pelsart Shares, they will continue to be exposed to the risks set out in section 5.8 of this Scheme Booklet.

4.5. Conditions of the Scheme

To become Effective, a number of conditions must either be satisfied or (if permitted) waived. These conditions include:

- (a) **(ASIC Approval)** ASIC has issued or provided (and not withdrawn, revoked or varied) such consents, modifications and/or approvals or have done such other acts which are necessary or the parties agree are reasonably desirable to implement the Scheme.
- (b) **(Regulatory Authority)** all other consents, waivers and approvals of a Regulatory Authority which Pelsart and Sanfield, consider are necessary or desirable to implement the Scheme are obtained.

- (c) **(No Pelsart Prescribed Occurrence)** no Pelsart Prescribed Occurrence occurring before the Delivery Time on the Second Court Date.
- (d) **(No Restraints)** no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or Government Agency, or other material legal restraint or prohibition being in effect at the Delivery Time on the Second Court Date that would prevent or delay the Scheme.
- (e) **(Independent Expert)** the Independent Expert issues a report which concludes that the Scheme is in the best interests of Scheme Shareholders before the date on which the Scheme Booklet is lodged with ASIC and the Independent Expert does not publicly withdraw, qualify or change that opinion at any time prior to 8:00am (AWST) on the Second Court Date.
- (f) **(Shareholder approval)** the Scheme being approved by Scheme Participants at the Scheme Meeting by the Requisite Majorities.
- (g) **(Court approval)** the Scheme being approved by the Court.

The conditions to the Scheme are set out in full in clause 4.1 of the Scheme Implementation Deed (which is contained in Annexure A of this Scheme Booklet). The Scheme will not proceed unless all of the conditions are satisfied or (if permitted) waived in accordance with the Scheme Implementation Deed.

As at the date of this Scheme Booklet, Pelsart and Sanfield are not aware of any circumstances that would cause any condition precedent not to be satisfied. Pelsart will make a statement regarding the status of the conditions at the Scheme Meeting.

4.6. Implementation of the Scheme

Following approval of the Scheme by the Court, there are three important dates in respect of implementation of the Scheme, being:

- The Effective Date, which is the date on which the Scheme Order is lodged with ASIC and the Scheme becomes Effective (expected to be 26 July 2024).
- The Scheme Record Date, which is 5:00pm (AWST) on the fifth Business Day after the Effective Date (expected to be 5:00pm (AWST) on 2 August 2024) and is the date when the Register is examined to determine who is entitled to participate in the Scheme (that is, a Scheme Participant) and receive the Scheme Consideration.
- The Implementation Date, which is the fifth Business Day after the Scheme Record Date (expected to be 9 August 2024) and is the date on which:
 - all of the Scheme Shares held by Scheme Participants will be transferred to Sanfield without any need for action by Scheme Participants and Pelsart will become a wholly owned Subsidiary of Sanfield; and
 - Scheme Participants will receive the Scheme Consideration.

Further details regarding implementation of the Scheme are set out in section 8 of this Scheme Booklet.

4.7. Pelsart directors' recommendation and voting intentions

As you are aware, the Pelsart Board established the Independent Scheme Committee for the purposes of:

- considering the Scheme Proposal;

- if the Scheme was considered acceptable by the Independent Directors, Pelsart entering into the Scheme Implementation Deed; and
- if the Scheme Implementation Deed was agreed to by Pelsart, Pelsart implementing the Scheme in accordance with the terms set out in the Scheme Implementation Deed and the requirements of Part 5.1 of the Corporations Act.

The Independent Directors unanimously recommend that you vote in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to consider the Scheme to be in the best interests of Scheme Participants.

In forming their unanimous recommendation, the Independent Directors have carefully considered the conditions, advantages, disadvantages and risks of the Scheme. These matters are described in more detail in section 1.2 of this Scheme Booklet and in the Independent Expert's Report in Annexure E to this Scheme Booklet.

James Chan (an Independent Director) does not own (directly or indirectly) any Pelsart Shares, and therefore will not be voting on the Scheme. Richard Tan (an Independent Director) intends to vote in favour of the Scheme in respect of the Scheme Shares he holds.

The interests of the Pelsart Directors are set out in section 9.1 of this Scheme Booklet.

If a Competing Proposal emerges, the Independent Directors will carefully consider whether it is a Superior Proposal and advise you of their recommendation.

4.8. Independent Expert's conclusions

The Independent Directors commissioned the Independent Expert to prepare the Independent Expert's Report expressing an opinion on whether the Scheme is fair and reasonable and in the best interests of Scheme Participants.

The Independent Expert has considered the terms of the Scheme and has concluded that, in the absence of an alternative offer, the Scheme is fair and reasonable for Shareholders. Therefore, in the absence of a superior proposal, the Independent Expert considers the Scheme to be in the best interests of Shareholders.

The Independent Expert has assessed the full underlying value of a Pelsart Share prior to the Scheme on a controlling interest basis to be in the range of \$0.017 (low) to \$0.027 (high) per Scheme Share, with a preferred value of \$0.022 per Scheme Share. The Scheme Consideration of \$0.035 per Scheme Share is greater than this value range.

The Independent Expert's Report is set out in full in Annexure E to this Scheme Booklet. Your Directors encourage you to read this report in full before deciding how to vote on the Scheme.

4.9. Funding of the Scheme Consideration

If the Scheme becomes Effective, Scheme Participants will receive the Scheme Consideration of \$0.035 cash per Scheme Share.

Details regarding Sanfield's funding arrangements for the Scheme Consideration are set out in section 6.6 of this Scheme Booklet.

4.10. Australian tax implications

The transfer of your Scheme Shares to Sanfield under the Scheme will have tax consequences for Scheme Participants.

Please seek your own professional advice regarding the individual tax consequences applicable to you. A general summary of the tax implications for Australian residents is set out in section 7 of this Scheme Booklet.

4.11. No brokerage or stamp duty

Scheme Participants will not incur any brokerage or Stamp Duty on the transfer of Scheme Shares under the Scheme.

4.12. Questions

If you have any questions regarding this Scheme Booklet or the Scheme, please contact the Pelsart Shareholder Information Line on 1300 265 191 (within Australia) or +613 9415 4087 (outside Australia).

5. Information relating to Pelsart

5.1. Background

Pelsart is an unlisted public company incorporated on 12 April 1990 in Western Australia.

Pelsart de-listed from the ASX on 25 September 2008.

Pelsart explores for and produces gold and other minerals from exploration activities in Kalimantan, Indonesia. Pelsart's exploration projects include Kasongan/Mirah and Meratus. Pelsart's activities also include derivation of petroleum royalties from certain Australian permits.

5.2. Overview of operations

The main focus of the Pelsart Group is the development and operation of gold mines in Kalimantan, Indonesia.

Pelsart's Indonesian subsidiary, PT Pelsart Tambang Kencana (PTK), operates a Contract of Work with the Indonesian government, with its main commodity consisting of gold minerals. The Contract of Work region principally comprises the Timburu and Kusan exploration blocks in South Kalimantan Province.

Although PTK's current focus has been the development of the Timburu Project, it may in the future develop additional mine sites based on mineral resources discovered at Haraan, Kembang Kecil and Mentu, all located within PTK's Contract of Work.

PTK was granted Work Area Designation approval for the Timburu Project in May 2022. Under this permit, PTK constructed 13 kilometres of road access from Banian to the mine work and plant site areas, and built infrastructure including offices, a warehouse, a workshop, and camps in the area.

PTK prepared a detailed Environmental Impact Assessment (AMDAL) detailing the actions to be taken to reduce the project's impact on the environment, which has been approved by relevant Indonesian authorities for the life of the project.

In June 2022, PTK completed the front-end engineering design for its gold processing plant. The detailed engineering design for the processing plant was completed in October 2023.

A contract with Yantai Jinpeng (China) for the supply and installation of equipment for the processing plant was signed off in September 2023 at a value of US\$38.7 million. The SAG mill and Ball mill were purchased new from Metso Outotec (China) at a cost of US\$8.2 million and a down payment of 10% and a subsequent instalment of 10% were paid to Metso Outotec following the completion of contract and engineering drawings.

The target for delivery for the fabrication process is July 2024. The tank agitators were supplied by Afromix from South Africa and are on target to be completed in May 2024. The contract for 24.5MVA electric supply with PLN was completed in January 2024 at a cost of IDR 21 billion and contract of civil works for the processing plant with PT Citic Engineering Indonesia was completed in February 2024 at cost of IDR 212 billion.

PTK has been exploring to increase its resource and reserve by conducting exploration activities inclusive of IP-Resistivity, airborne geomagnetic survey, and drilling. The exploration area covers the area from previous exploration activities by the previous operator as well as in the brown field within the Contract of Work, especially in the Northern Block (Timburu).

Based on a report prepared by PTK dated October 2023, the resource at Timburu prospect is 36.1 MT at a mean grade of 1.4 g/t gold and 3 g/t silver (1638 koz gold equivalent), while the resource at Kusan prospect is 12 MT at a mean grade of 1.7 g/t gold (600 koz). The optimised pit has yielded PTK a

probable ore reserve of 11.2 MT at a mean grade of 2.0 g/t gold and 3.5 g/t silver (753 koz gold equivalent). **[Cautionary statement:** The resources and reserve referred to in the preceding paragraph are ‘foreign estimates’ as reported by PTK and do not comprise mineral resources or ore reserves determined and reported in accordance with the requirements of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code 2012 Edition) (JORC Code). A ‘competent person’ within the meaning of the JORC Code has not done sufficient work to classify these ‘foreign estimates’ mineral resources or ore reserves in accordance with the JORC Code.]

Further information about the mineral assets of PTK, including the resources and reserves at the Timburu project, is contained in the Independent Technical Assessment and Valuation Report by Valuation and Resource Management Pty Ltd contained in the Independent Expert’s Report set out in Annexure E.

Exploration and development of a potential mine has cost US\$65.1 million up to 31 December 2023, which has been financed by loans provided by a minority shareholder of PTK (and a related party of Sanfield). The Directors of Pelsart have been provided with an estimate that an additional US\$202 million over the next the three years will be required to get a mine into production and cash flow positive.

Pelsart does not have the resources to meet its share of this commitment.

5.3. Pelsart Board and senior management

Pelsart Board

As at the date of this Scheme Booklet, the Pelsart Board comprises:

Name	Position
Enk Ee Tan	Chairman
Sean Gustav Standish Hughes	Director
James Kok Choon Chan	Director
Richard Teng Beng Tan	Director

Of the Pelsart Directors, only Mr James Chan and Mr Richard Tan consider themselves independent of Pelsart for the purposes of the Scheme. Mr Sean Hughes and Dr Enk Ee Tan are also directors of Sanfield. Having regard to the relationship between the Directors and Sanfield, the Pelsart Board considered it prudent to implement the following measures:

- establishing the Independent Scheme Committee to consider the proposed Scheme; and
- appointing Blackwall Legal as its independent advisors.

Senior management

As at the date of this Scheme Booklet, the key members of Pelsart's senior management team include:

Name	Position
Steven Roberts	Company Secretary

5.4. Pelsart's securities and capital structure

As at 24 June 2024, Pelsart had 1,833,552,401 Pelsart Shares on issue.

Details of the Pelsart Shares held by or on behalf of Pelsart Directors are set out in section 9.1 of this Scheme Booklet.

Pelsart has no other securities on issue.

5.5. Overview of Pelsart's financial position

This section 5.5 contains Pelsart's current financial information, which is comprised of:

- consolidated statement of profit and loss and other comprehensive income;
- consolidated statement of financial position; and
- consolidated statement of cash flows,

each contained in Pelsart's Consolidated Financial Report for the year ended 31 December 2023, audited by Elderton Audit Pty Ltd.

Consolidated Statement of Profit or Loss and other comprehensive income for the financial years ended 31 December 2022 and 31 December 2023

	2023 \$	2022 \$
Revenue	67,297	71,962
Other Income	109,817	223,219
Total	<u>177,114</u>	<u>295,181</u>
Exploration Expenditure	(52,634,056)	(25,916,470)
Employee benefit expenses	(2,013,271)	(2,356,262)
Other expenses	(1,202,164)	(407,423)
Finance Cost	(1,580,051)	(206,064)
Loss before income tax expense	<u>(57,252,428)</u>	<u>(28,591,038)</u>
Income Tax Expense	-	(106,090)
Losses for the year	<u>(57,252,428)</u>	<u>(28,697,128)</u>
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Foreign currency translation	55,795	498,745
Other comprehensive income for the year	<u>55,795</u>	<u>498,745</u>
Total comprehensive income for the year attributable to members of the Pelsart Group	<u>(57,196,633)</u>	<u>(28,198,383)</u>
Loss for the year is attributable to		
Non-controlling interests	(16,779,934)	(9,325,102)
Owners of Pelsart Resources NL	(40,472,494)	(19,372,026)
	<u>(57,252,428)</u>	<u>(28,697,128)</u>
Total comprehensive income for the year is attributable to		
Non-controlling interests	(16,893,754)	(8,250,203)
Owners of Pelsart Resources NL	(40,302,879)	(19,948,180)
	<u>(57,196,633)</u>	<u>(28,198,383)</u>

Consolidated Statement of Financial Position
for the financial years ended 31 December 2022 and 31 December 2023

	31 December 2023 \$	31 December 2022 \$
CURRENT ASSETS		
Cash and cash equivalents	1,629,454	1,156,379
Trade and other receivables	42,655	25,932
Inventories	942,552	406,815
Other Assets	4,130,288	2,419,800
TOTAL CURRENT ASSETS	6,744,949	4,008,926
NON-CURRENT ASSETS		
Investment in other financial asset	2,390,255	3,067,157
Right-of-use assets	988,000	248,349
TOTAL NON-CURRENT ASSETS	3,378,255	3,315,506
TOTAL ASSETS	10,123,204	7,324,432
CURRENT LIABILITIES		
Trade and other payables	6,977,387	2,686,743
Borrowings	48,788,504	36,266,821
Lease liabilities	592,991	86,362
Current maturities of long-term bank loan	277,656	-
TOTAL CURRENT LIABILITIES	56,636,538	39,039,926
NON-CURRENT LIABILITIES		
Lease liabilities	590,253	131,148
Long-term bank loan	446,750	-
Employee benefits obligation	2,268,208	2,079,039
Other non-current liabilities	41,343,089	39,320
TOTAL NON-CURRENT LIABILITIES	44,648,300	2,249,507
TOTAL LIABILITIES	101,284,838	41,289,433
NET LIABILITIES	(91,161,634)	(33,965,001)
EQUITY		
Issued capital	87,712,103	87,712,103
Foreign currency reserves	(195,639)	(365,254)
Accumulated losses	(152,518,290)	(112,045,796)
Equity attributable to the owners of Pelsart Resources N.L.	(65,001,826)	(24,698,947)
Non-controlling interests	(26,159,808)	(9,266,054)
TOTAL DEFICIENCY IN EQUITY	(91,161,634)	(33,965,001)

Consolidated Statement of Cash Flows
for the financial years ended 31 December 2022 and 31 December 2023

	31 December 2023 \$	31 December 2022 \$
Cash Flows used in Operating Activities		
Receipts from customers and others	50,574	66,636
Payments to suppliers and employees	(198,942)	(2,009,696)
Repayments	-	6,601,577
Exploration expenditures	(52,634,056)	(25,916,470)
Cash used in operations	(52,782,424)	(21,257,953)
Interest expenses and financial charges paid	(1,556,718)	-
Net cash used in operating activities	(54,339,142)	(21,257,953)
Cash Flows used in Investing Activity:		
Additions of right-of-use assets	(1,434,465)	(295,162)
Net cash used in investing activity	(1,434,465)	(295,162)
Cash Flows from Financing Activities		
Proceeds from borrowings	57,884,062	20,325,716
Repayments of borrowings	(1,635,519)	(75,729)
Net cash from financing activities	56,248,543	20,249,987
Net increase/(decrease) in cash held	474,936	(1,303,128)
Cash at the beginning of the year	1,156,379	2,308,742
Effects of foreign exchange	(1,861)	150,765
Cash at end of the year	1,629,454	1,156,379

5.6. Material changes in Pelsart's financial position

Other than as disclosed in this Scheme Booklet, no member of the Pelsart Board is aware of any material change to the financial position of Pelsart since 31 December 2023.

5.7. Intentions regarding the continuation of Pelsart's business

If the Scheme is implemented, Sanfield will have 100% control of Pelsart. The intentions of Sanfield if the Scheme is implemented are as set out in section 6.7.

If the Scheme is not implemented, Pelsart Directors intend to continue to operate the business of Pelsart in the ordinary course and in a manner consistent with current practices. There are a range of risks associated with the business of Pelsart and general market risks that Scheme Participants will continue to be subject to if the Scheme does not proceed. These specific and general risks include, but are not limited to, the risks set out in section 5.8.

5.8. Risks relating to an investment in Pelsart

The risk factors in this section 5.8 are existing factors relating to Pelsart's business and the industry in which it operates. These risks will continue to be relevant to Scheme Participants if the Scheme does not proceed and Scheme Participants retain their current investment in Pelsart. Additional risks and uncertainties not currently known to Pelsart may also have a material adverse effect on the business of Pelsart and the information set out in this section does not purport to be, and is not to be construed as representing, an exhaustive list of the risks affecting Pelsart.

If the Scheme proceeds, Scheme Participants will receive the Scheme Consideration, they will cease to be Pelsart Shareholders and will no longer be exposed to the risks set out in this section.

This section outlines:

- general risk factors;
- specific risk factors for the Pelsart Group (as a consequence of its 70% shareholding in PTK);
- unknown risks; and
- risks and implications for Pelsart if the Scheme is not implemented.

You should carefully consider the risks discussed in this section 5.8, as well as the other information contained in this Scheme Booklet before voting on the Scheme Resolution. You should consult your legal, financial, taxation or other professional advisor if you are unclear or uncertain about any matter mentioned in this section 5.8 or elsewhere in this Scheme Booklet.

General risks

Pelsart Shares are not listed on a stock exchange and therefore do not have an established market mechanism to monetize their shares. As with any company, the value of Pelsart Shares is subject to the future prospects, operating and financial performance of Pelsart, and the value of Pelsart Shares may be affected by a number of factors. These factors may include:

- changes in general business, industry cycles, and economic conditions including inflation, interest rates, exchange rates, commodity prices, employment levels and consumer demand;
- economic and political factors in Indonesia;
- changes in legislation and government, fiscal, monetary and regulatory policies including foreign investment and government or political intervention in Indonesia;
- changes in accounting or financial reporting standards; and
- changes in taxation laws (or their interpretation).

Specific risks

There are a range of business-specific risks associated with your current investment in Pelsart Shares, as a consequence of Pelsart's 70% shareholding in PTK. PTK has an experienced stand-alone management team and Pelsart's Board is confident that PTK's management has and will continue to address the risks in PTK's business and has in place what it considers are appropriate policies and procedures to help manage these risks. However, there is no guarantee that Pelsart or PTK will be able to manage these risks completely. Furthermore, certain aspects of these risks may be partly or wholly outside of Pelsart's or PTK's control. You will only continue to be exposed to these risks if the Scheme does not proceed and you retain your investment in Pelsart Shares.

(a) PTK Timburu Project development risks

PTK's operational and financial performance from the Timburu Project is dependent on the mine's successful development. In addition to the general development risks mentioned below, there are a number of risks and uncertainties specific to the development of the Timburu Project, including:

- escalating operating or capital costs;

- future capital requirements exceeding those forecast in PTK's budget and mine plan. While Pelsart has completed a Definitive Feasibility Study in respect of the Timburu Project, there can be no guarantee that the project will be successfully developed and brought into production as assumed in the Definitive Feasibility Study;
- PTK requires significant debt and/or equity funding to finance the project. Pelsart and PTK have been proactively addressing these financing needs. PTK has entered into a project financing agreement to finance construction of the processing plant. This facility is guaranteed by companies associated with Sanfield. The viability of this financing depends on the ongoing support of Sanfield and PTK completing the project in a manner and timeframe that enables PTK to service this debt from future cash flows;
- slippage in the development or pre-production schedule as a result of delays in obtaining, or a failure to obtain or maintain necessary permits or approvals, shortages of, or delays in the procurement of, materials, or other items necessary for ongoing development or delays in the negotiation of key contracts;
- PTK has prepared a detailed Environmental Impact Assessment (AMDAL) detailing the actions to be taken to reduce the project's impact on the environment (which has been approved by relevant Indonesian authorities for the life of the project). However, PTK remains subject to environmental risks in Indonesia in conducting its current and intended future operations at the Timburu Project; and
- the Timburu Project is located remotely in South Kalimantan, approximately 141 kilometres from the nearest town (Batulicin Port) which can present supply restrictions due to flooding in the wet season and forest fires in the dry season.

If any of these risks and uncertainties materialise, they could result in Pelsart not realising its development plans for PTK and its mining projects, or such plans generating less revenue than expected, costing more than expected or taking longer to realise than expected. Any of these outcomes could have an adverse effect on PTK's and Pelsart's financial and operating performance.

(b) Estimate risk in mineral resources and ore reserves

PTK's mineral resources and ore reserves are expressions of judgement based on industry practice, experience and knowledge, and are estimates only. Estimates of mineral resources and ore reserves are necessarily imprecise and depend to some extent on interpretations which may prove inaccurate. No assurance can be given that the estimated mineral resources and ore reserves are accurate or that the indicated level of gold and silver or any other mineral will be produced. Such estimates are, in large part, based on interpretations of geological data obtained from drill holes and other sampling techniques. Actual mineralisation or geological conditions may be different from those predicted, which could have an adverse effect on PTK's operations, financial performance and financial position. Various factors, such as commodity price fluctuations as well as increased production costs, may render a part of the PTK's ore reserves unprofitable to develop at a particular site or sites for periods of time or may render such ore reserves containing relatively lower grade mineralisation uneconomic.

(c) Replacement of ore reserves

PTK will need to eventually replace ore reserves depleted by production to maintain production levels over the long term. Ore reserves can be replaced through further drilling to identify extensions and locating new deposits. There is a risk that depletion of ore reserves will not be offset by discoveries and conversion of mineral resources. Whether a mineral resource is commercially viable depends on a number of factors, including the particular attributes of the deposit, such as size, grade, quality and proximity to infrastructure, commodity prices, government regulation, obtaining the necessary licences or clearances from relevant authorities, land tenure and environmental protection. There is no certainty that the expenditures made by PTK towards the

search for and evaluation of mineral deposits will ultimately result in discoveries of commercial quantities of ore reserves.

Other factors such as adverse weather events, operational and technical difficulties, lack of access to key infrastructure and changes to government policy or legislation (among other factors) may preclude PTK from successfully replacing depleted ore reserves.

(d) **General development and production risks**

Although PTK's current focus has been the development of the Timburu Project, it may in the future develop additional mine sites based on mineral resources discovered at Haraan, Kembang Kecil and Mentau, all located within PTK's contract of work. The success of these potential projects is dependent on a number of factors including, but not limited to:

- upgrading mineral resources to ore reserves to enable commercial development of these sites with appropriate mine and operating plans;
- access to adequate capital to fund and develop these potential projects; and
- construction of development and production infrastructure within capital expenditure budgets.

(e) **Local community**

The remote location of PTK's contract of work requires an approach to development and operations that take the local community into consideration. Disruptions at the mine site, including illegal mining, can cause delays in development and operations.

(f) **Commodity price volatility**

PTK's revenues and cash flows will be significantly impacted by the prices of gold and silver. Sustained low prices could reduce or eliminate the profit and cashflow that is currently expected to be generated from the Timburu Project, halt or delay the development of new projects, reduce funds available for exploration and/or result in impairments to the value of assets. Such declines in price and/or reductions in operations could cause significant volatility in PTK's and Pelsart's financial performance.

(g) **Key personnel and labour market risks**

Retaining and recruiting qualified personnel is critical to PTK's success. Competition for suitably qualified personnel is very strong and PTK, as with other entities in the mining industry, is exposed to challenges associated with attracting and retaining appropriately qualified personnel. If PTK cannot attract, motivate and retain suitably qualified personnel, and if those personnel do not operate effectively, it could adversely affect PTK's current operations and its future growth plans.

(h) **Foreign currency risk**

PTK operates in Indonesia and is exposed to foreign currency risk from fluctuations in the Rupiah with respect to the US dollar. Foreign exchange risk arises from future commercial transactions and financial liabilities that are denominated in the US dollar.

(i) **Financing risk**

PTK's continued ability to operate its business and effectively implement its business plan over time will depend in part on its ability to raise additional funds for future operations and to repay or refinance debts as they fall due. There is risk that PTK may not be able to access equity or debt

capital markets to support its business objectives. If additional funds are raised through the issue of equity securities, the capital raising may be dilutive to Scheme Participants.

If sufficient funds are not available from either equity or debt capital markets to satisfy PTK's short, medium and long-term capital requirements, then this may adversely impact on PTK's operational, financial performance and financial position.

(j) **Environmental risk**

PTK's processing plant uses toxic reagents to extract gold and silver. PTK's activities are subject to extensive environmental laws and regulations. As with all mining operations and exploration projects, PTK's activities may substantially impact the environment or cause exposure to hazardous materials. Exploration and production can affect the environment and result in substantial costs being incurred for environmental risk management, rehabilitation and damage control. PTK attempts to conduct its operations and activities in accordance with the highest standard of environmental obligation, including compliance with all applicable environmental laws and regulations.

(k) **Climate**

PTK's mining concessions are located in remote sites in South Kalimantan. Uninterrupted exploration, development and mining operations are subject to favourable weather conditions. Forest fires can occur during the dry season and flooding during the wet season.

(l) **Project approvals and permitting risk**

PTK's activities are subject to various legislation, regulation and approvals which is a complex process. The introduction of any new legislation (be it amendments, the application of developments in existing law or policies or the interpretation of those laws or policies) could have a material adverse effect on PTK. Changes in government regulations may adversely affect the financial performance or the current and proposed operations generally of PTK.

(m) **Title risk**

PTK's activities are dependent upon the maintenance (including renewal) of the mineral concessions in which PTK has an interest. Maintenance of PTK's concessions is dependent on, among other things, PTK's ability to meet the licence conditions imposed by the relevant authorities including compliance with PTK's work program requirements which, in turn, is dependent on PTK being sufficiently funded to meet those expenditure requirements. Although PTK has no reason to think that the mineral concessions in which it currently has an interest will not be renewed, there is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed by the relevant granting authority.

(n) **Indonesian ownership obligations**

PTK's contract of work will require PTK to increase Indonesian ownership of PTK from 30% to 51% by 2035. Whilst Pelsart will receive fair value for its shares in PTK, Pelsart will become a minority shareholder and cease to control PTK.

(o) **Insurance risks**

PTK may not carry insurance to cover all of the risks associated with its business, either because insurance coverage is restricted or prohibitively expensive. PTK will endeavour to maintain insurance within a range of coverage consistent with industry practice in order to cover certain risks associated with PTK's business. However, in certain circumstances PTK's insurance may not be of a nature or level to provide adequate 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 PTK.

(p) **Material contracts**

The ability of PTK to operate its business will depend on the performance of the counterparties under various agreements it has entered into or may enter into in the future. If any counterparties do not meet their obligations under the respective agreements, this may impact on PTK's business and financial returns.

(q) **Litigation risks**

PTK is subject to litigation risks. All industries, including the minerals exploration and production industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which PTK is or may become subject could have a material effect on its financial position, results of operations or PTK's activities.

As at the date of this Scheme Booklet, Pelsart and PTK are not aware of any litigation or disputes being undertaken which is material in the context of PTK and its Subsidiaries taken as whole.

Unknown risks

Additional risks and uncertainties not currently known to Pelsart may also have a material adverse effect on Pelsart or PTK's financial and operational performance and the information set out in this section does not purport to be , nor should it be construed as representing , an exhaustive list of risks affecting Pelsart.

Risks and implications for Pelsart and Scheme Participants if the Scheme is not implemented

(a) **Scheme Participants will not receive the Scheme Consideration**

If the Scheme is not implemented, Scheme Participants will retain their Scheme Shares and will not receive the Scheme Consideration. Scheme Participants will continue to be subject to all risks currently associated with an investment in Pelsart and its investment in PTK.

(b) **Pelsart Shares remain illiquid**

If the Scheme does not proceed, and in the absence of a Superior Proposal, Pelsart Shares will remain illiquid.

(c) **Risks for Pelsart as a standalone entity**

If the Scheme does not proceed, and no Superior Proposal emerges, the Pelsart Board intends to continue with its existing strategy. There are a number of risks, including those of the nature of risks outlined in above, that may affect Pelsart's performance and operations more generally.

(d) **Transaction costs already incurred**

As detailed in section 1.4(c), Pelsart estimates that it will incur costs of approximately \$600,000 (excluding GST) in connection with the Scheme, which will be payable by Pelsart regardless of whether or not the Scheme is implemented. This includes financial advisory, legal, accounting, Independent Expert, tax and administrative fees, Scheme Booklet and printing, share registry and other expenses.

5.9. Information available to shareholders

Pelsart is an unlisted public company. Pelsart is not a disclosing entity for the purposes of the Corporations Act. Notwithstanding such, Pelsart will endeavour to:

- keep its shareholders apprised of any developments in relation to its ongoing operations and the Scheme using its website, <https://pelsart.com.au/>; and
- respond to reasonable queries raised by, and make available any documents reasonably requested by, Scheme Participants in relation to the Scheme.

6. Information relating to Sanfield

6.1. Introduction

The information contained in this section has been prepared by Sanfield. The information concerning Sanfield and the Sanfield Group and the intentions, views and opinions contained in this section are the responsibility of Sanfield. The Independent Directors of Pelsart and Pelsart's officers and advisers do not assume any responsibility for the accuracy or completeness of this information.

The intentions of Sanfield have been formed on the basis of facts and information concerning Pelsart that are known to it, the general business environment and the circumstances affecting the business of Pelsart as at the date of this Scheme Booklet.

6.2. Background

Sanfield is a company incorporated and registered in Hong Kong on 27 October 1998 with business registration number 22103163. Sanfield is a wholly owned subsidiary of Primecorp Enterprises Limited, a company registered in the British Virgin Islands. As at the date of this Scheme Booklet, Sanfield holds 1,703,564,690 Pelsart Shares, comprising a 92.91% interest in Pelsart.

6.3. Overview of operations

Sanfield's purpose is to hold shares in Pelsart and to provide financial assistance and support to the Pelsart Group as and when required. Note 1(a) of Pelsart's Consolidated Financial Report for the year ended 31 December 2023 states as follows:

"The ultimate parent entity [Sanfield] has indicated that until such time as otherwise advised in writing, should the Group [Pelsart Group] have insufficient funds to meet its debts as and when they fall due, provided such debt has been incurred with their direct approval or is within established management authority, they will transfer funds to the Group for the purposes of enabling the debts to be satisfied."

Sanfield does not conduct any other business.

6.4. Sanfield Board and senior management

Sanfield Board

As at the date of this Scheme Booklet, the Sanfield board of directors comprises:

Name	Position
Enk Ee Tan	Director
Michelle Liem Mei Fung	Director
Sean Gustav Standish Hughes	Director

Mr Sean Hughes and Dr Enk Ee Tan are also directors of Pelsart.

Sanfield senior management

As at the date of this Scheme Booklet, the key members of Sanfield's senior management team include:

Name	Position
Wing Tak Leung	Company Secretary

6.5. Rationale for Sanfield's proposed acquisition of Pelsart

The Scheme contemplates the acquisition of all remaining Pelsart Shares that Sanfield does not already hold such that from the Implementation Date, Sanfield will hold 100% of the Shares in Pelsart, with Pelsart becoming a wholly owned subsidiary of Sanfield. Under the Scheme, Scheme Participants will receive the Scheme Consideration for their Scheme Shares.

Pelsart, through its wholly owned subsidiary Pelsart International N.L., holds a 70% interest in PT Pelsart Tambang Kencana (**PTK**) as the Company's major asset. PTK is developing its gold and silver mine in Kalimantan, Indonesia.

As noted in the Company's Annual Report, exploration and development of the potential mine has cost US\$65.1 million up to 31 December 2023 and is expected to cost an additional US\$202 million over the next three years in order to get a mine into production and cash flow positive. To date, Pelsart's share of these costs has been financed by loans provided by a minority shareholder of PTK (PT Aurora Kirana, being a related party of Sanfield), as Pelsart has not had the financial resources to meet its 70% share of the commitment.

Sanfield has proposed the Scheme to effectively acquire the minority interests in Pelsart because Sanfield considers:

- The loans advanced to PTK by the related party of Sanfield will in due course need to convert to equity in either PTK or Pelsart (because the related party will expect equity returns for the financial risks it has taken); the conversion of these loans to equity, or repayment of these loans would most likely result in an increase in Sanfield's shareholding interest in Pelsart and a dilution of the interests of other shareholders because:
 - in circumstances where Sanfield already has a shareholding interest of 92.91%, the most feasible (and possibly only) means of Pelsart raising sufficient equity capital to convert or repay the loans would be pursuant to a rights issue of Pelsart Shares where the rights issue is underwritten and/or committed to by Sanfield in respect of its entitlement; but
 - inevitably, in any rights issue, not all shareholders of Pelsart will subscribe for their entitlements to the rights issue.
- The Scheme Consideration offered to acquire the Scheme Shares presents an opportunity for Scheme Participants to realise certain cash value for their Scheme Shares.

6.6. Funding arrangements for Scheme Consideration

(a) Maximum cash consideration

The maximum cash consideration payable to the Scheme Participants if the Scheme becomes Effective will be approximately \$4,549,569.89 (including any transaction costs). This amount represents the Scheme Consideration for the Scheme Shares held by Scheme Participants as at the Scheme Record Date.

On the basis of the arrangements described in this section, Sanfield is of the opinion that it has a reasonable basis for forming the view, and it holds the view, that it will have sufficient funds available to fund the payment of the Scheme Consideration and related transaction costs.

(b) **Overview of funding arrangements**

The funding for the Scheme will be obtained from Primecorp, Sanfield's parent company. Primecorp holds sufficient cash funds to pay the Scheme Consideration.

6.7. Sanfield's intentions if the Scheme is implemented

(a) **Pelsart Directors**

Sanfield intends to keep the composition of the Pelsart Directors.

(b) **Operations**

Sanfield does not intend to change the operations of Pelsart and its subsidiaries.

(c) **Employees**

Sanfield does not intend to change the employees of Pelsart and its subsidiaries.

(d) **Intentions generally**

Sanfield will retain Pelsart as an investment holding company.

6.8. Sanfield's interests in Pelsart Shares

(a) **Interests in Pelsart Shares**

As at the date of this Scheme Booklet, Sanfield has a relevant interest in (and voting power of) 1,703,564,690 Pelsart Shares, comprising 92.91% of the total Pelsart Shares.

(b) **Dealings in Pelsart Shares in previous four months**

Except in respect of the Scheme Consideration, during the period four months before the date of this Scheme Booklet, no member of the Sanfield Group has provided or agreed to provide consideration for any Pelsart Shares under a purchase or an agreement.

(c) **Benefits to holders of Pelsart Shares**

During the four months before the date of this Scheme Booklet, no member of the Sanfield Group has given or agreed to give a benefit to another person where the benefit was likely to induce the other person to:

- vote in favour of the Scheme; or
- dispose of Pelsart Shares,

which benefit was not offered to all Pelsart Shareholders.

(d) **Benefits to Pelsart Directors**

No member of the Sanfield Group will be making any payment or giving any benefit to any current member of the Pelsart Board as compensation or consideration for, or otherwise in connection

with, their resignation from the Pelsart Board, if the Scheme becomes Effective and the Pelsart Board is accordingly reconstituted.

6.9. Other material information

Except as disclosed elsewhere in this Scheme Booklet, there is no other information that is material to the making of a decision in relation to the Scheme, being knowledge that is within the knowledge of any director of Sanfield, as at the date of this Scheme Booklet, that has not been previously disclosed to Pelsart Shareholders.

7. Taxation consequences of the Scheme

7.1. Introduction

This Section 7 provides a general summary of the Australian income tax, goods and services tax (GST) and stamp duty implications of the Scheme.

This summary is based on the Australian tax law, and the practice of the tax authorities, at the time of issue of this Scheme Booklet. The laws are complex and subject to change periodically as is their interpretation by the courts and the tax authorities. This summary is general in nature and is not intended to be an authoritative or complete statement of the applicable law. This summary does not take into account the tax law of countries other than Australia or Australian taxes other than income tax, GST and stamp duty. The precise implications of ownership or disposal will depend upon each Scheme Participant's specific circumstances.

These comments should not be a substitute for advice from an appropriate professional adviser having regard to each Scheme Participant's individual circumstances. All Scheme Participants are strongly advised to obtain and rely only on their own professional advice on the tax implications based on their own specific circumstances.

The Australian tax consequences outlined below are relevant to Scheme Participants who are individuals, companies, trusts and complying superannuation funds that hold their Scheme Shares on capital account for Australian income tax purposes.

The information provided in Section 7 below is not applicable to all Scheme Participants and does not consider the taxation consequences of the Scheme for Scheme Participants who:

- hold their Scheme Shares as trading stock, as part of a profit-making undertaking or scheme, under an arrangement which qualifies as an employee share or rights plan for Australian tax purposes or otherwise on revenue account;
- obtained roll-over relief in connection with the acquisition of their Scheme Shares;
- were deemed to have acquired their Scheme Shares prior to 20 September 1985;
- are temporary residents for the purposes of the Australian income tax law;
- change their tax residence whilst holding Scheme Shares;
- are subject to the taxation of financial arrangements rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) (**ITAA 1997**) in relation to gains and losses on their Scheme Shares;
- are subject to the Investment Manager Regime under Subdivision 842-I of the ITAA 1997 in relation to their Scheme Shares;
- may be subject to special rules, such as banks, insurance companies, tax-exempt organisations, certain trusts, superannuation funds (unless otherwise stated), or dealers in securities; or
- are under a legal disability.

Section 7 does not consider the objectives, financial situation or needs of any individual Scheme Shareholder. Accordingly, before acting on this material, any recipient should consider taking advice from a licensed person to provide financial product advice under the Corporations Act. Before acting on this material, any recipient should also consider its appropriateness regarding their objectives, financial situation, and needs, as well as obtain independent financial advice

7.2. Capital Gain – Australian Residents

Scheme Participants will dispose of their Scheme Shares to Sanfield under the Scheme for CGT purposes on the Implementation Date.

Scheme Participants will be required to determine their capital gain or loss in respect of the disposal of their Scheme Shares. Scheme Participants should make a capital gain on disposal of their Scheme Shares if the capital proceeds from the disposal of their Scheme Shares exceed the cost base of their Scheme Shares. Conversely, Scheme Participants should make a capital loss on disposal of their Scheme Shares if the capital proceeds from the disposal of their Scheme Shares are less than the reduced cost base of their Scheme Shares.

A Scheme Participant's cost base in their Scheme Shares will generally comprise the original amount paid to acquire their Scheme Shares, plus certain non-deductible incidental costs incurred in relation to the acquisition or disposal of their Scheme Shares (such as brokerage). No brokerage is payable in relation to the transfer of the Scheme Shares to Sanfield under the Scheme. Broadly, a Scheme Participant's reduced cost base in the Scheme Shares will exclude any deductible ownership costs related to the Scheme Shares.

For the calculation of any capital gain or loss, the capital proceeds received by a Scheme Participant will be the Scheme Consideration of \$0.035 in cash per Scheme Share. No CGT roll-over will be available to Scheme Participants in relation to the Scheme.

CGT Discount

If a Scheme Participant is an individual, complying superannuation entity or trustee, and acquired their Scheme Shares at least 12 months before the Implementation Date (the date that the relevant CGT event is taken to have occurred), the amount of the capital gain (after firstly being reduced for any current year capital losses and prior year capital losses) may be reduced by the relevant CGT discount.

- If a Scheme Participant who is an individual or a trustee applies the CGT discount, the capital gain (after firstly being reduced for current year capital losses and prior year capital losses) will be reduced by half.
- If a Scheme Participant is a complying superannuation entity, the capital gain (after firstly being reduced for current year capital losses and prior year capital losses) will be reduced by one third.

Scheme Participants who are companies are not entitled to the CGT discount.

Capital Loss

If a Scheme Participant incurs a capital loss upon disposing of their Scheme Shares to Sanfield under the Scheme, they can use this loss to offset any capital gains they have derived in the current year. Alternatively, they can carry forward the capital loss to offset against any capital gains arising in future income years.

Certain specific loss recoupment rules may be applicable, and which may limit the utilisation of capital losses in certain circumstances. For this reason, it is recommended that Scheme Participants seek their own tax advice regarding the application of these rules and the availability of any losses.

7.3. Capital Gain – Non-Australian Residents

Scheme Participants who are non-residents of Australia for income tax purposes and do not hold their Scheme Shares through a permanent establishment in Australia, should be able to disregard any capital gain or capital loss that would otherwise arise from the disposal of their Scheme Shares to Sanfield.

While the Australian tax law applies in certain circumstances to tax a non-resident on the disposal of interests in an Australian company, this will only occur where the shareholder, together with their

associates own at least 10% of the Australian company and more than 50% of the market value of the Company's underlying assets is referable to direct or indirect interests in Australian real property. Given that Sanfield holds 92.91% of the Pelsart Shares, it is not possible for any Scheme Participant (together with their associates) to hold 10% or more of the Pelsart Shares as at the Implementation Date. Further, the Pelsart Directors are of the view that, as at the date of this Scheme Booklet, the interests Pelsart holds in real property do not exceed 50% of the value of Pelsart's total assets and the Pelsart Directors expect this will remain the position as at the Implementation Date. Accordingly, the Directors consider that these provisions will not apply.

Non-resident Scheme Participants who were previously residents of Australia for income tax purposes and elected to treat their Scheme Shares as 'taxable Australian property' on cessation of their residency will have the same CGT consequences on disposal of their Scheme Shares as those set out above for residents. Non-resident Scheme Participants however are not entitled to the CGT discount.

It is highly recommended that non-resident Scheme Participants that are non-resident beneficiaries of a non-fixed trust obtain independent professional advice to confirm the tax implications arising from their own specific circumstances, as CGT may apply to the beneficiary of a discretionary trust on disposal in these circumstances, notwithstanding the shares are not taxable Australian property.

Non-resident Scheme Participants should also consider the taxation implications of the disposal of their Scheme Shares in their country of residence.

Foreign Resident Capital Gains Withholding:

The foreign resident capital gains withholding regime can impose an obligation on a purchaser of shares from a non-resident to withhold an amount equal to 12.5% of the purchase price of the asset and remit this amount to the ATO. The withholding obligation will only apply when the shares acquired meet the definition of an 'indirect Australian real property interest'.

The Pelsart Directors are of the view that, as at the date of this Scheme Booklet, that for the reasons outlined above, the Pelsart Shares do not constitute an indirect Australian real property interest, and expect this will remain the position as at the Implementation Date.

If that does remain the position as at the Implementation Date, no amounts will be required to be withheld by Sanfield from the Scheme Consideration.

7.4. Stamp Duty

Scheme Participants will not incur any Stamp Duty in relation to the transfer of their Scheme Shares to Sanfield under the Scheme.

7.5. GST

Scheme Participants that dispose of their Scheme Shares under the Scheme should not be subject to GST on that disposal.

However, a Scheme Participant registered for Australian GST may not be entitled to claim full input tax credits in respect of GST on expenses (e.g. third party adviser fees) they incur that relate to the disposal of their Scheme Shares.

Scheme Participants should seek independent tax advice on the impact of GST, considering their circumstances.

8. Implementation of the Scheme and other aspects of the Transaction

8.1. Scheme Implementation Deed

On 15 March 2024, Pelsart and Sanfield entered into the Scheme Implementation Deed. Pelsart and Sanfield agreed to amend and restate the Scheme Implementation Deed on 6 June 2024. The Scheme Implementation Deed sets out the obligations of Pelsart and Sanfield in connection with the implementation of the Scheme.

A full copy of the Scheme Implementation Deed is set out in Annexure A to this Scheme Booklet.

8.2. Scheme and Deed Poll

Sanfield has executed the Deed Poll under which Sanfield undertakes in favour of each Scheme Participant to provide or procure the provision of the Scheme Consideration in accordance with the Scheme.

If the Scheme becomes Effective:

- Sanfield must, by no later than two Business Days before the Implementation Date, deposit in cleared funds into the Scheme Trust Account an amount equal to the aggregate amount of the total Scheme Consideration payable to all Scheme Participants.
- Pelsart must, on the Implementation Date and subject to Sanfield having deposited the requisite funds, pay or procure the payment of the Scheme Consideration to each Scheme Participant from the Scheme Trust Account.

Under the Deed Poll, Sanfield agrees that the Deed Poll may be relied on and enforced by any Scheme Participant in accordance with its terms even though the Scheme Participants are not a party to it.

Copies of the Deed Poll and the Scheme of Arrangement are set out in Annexure B and Annexure C to this Scheme Booklet, respectively.

8.3. Key steps to implement the Scheme

Each key step to implement the Scheme and relevant information concerning these steps is set out below. All dates following the Scheme Meeting are indicative only and are subject to change. Pelsart will announce any change to the dates set out in the Important dates and expected timetable section of this Scheme Booklet on Pelsart's website (<https://www.pelsart.com.au>).

Step 1: Scheme Meeting – Scheme Participants to vote on the Scheme at the Scheme Meeting

In accordance with an order of the Court dated 21 June 2024, Pelsart has convened the Scheme Meeting to be held at 10:00am (AWST) on 22 July 2024 at Swan Room, Parmelia Hilton Perth, 14 Mill Street, Perth Western Australia. The Notice of Scheme Meeting is set out in Annexure D to this Scheme Booklet.

At the Scheme Meeting, the Scheme Participants must approve the Scheme. For this to occur, the Scheme Resolution must be approved by both:

- **(Headcount test)** a majority in number (that is, more than 50%) of Scheme Participants present and voting at the Scheme Meeting (either in person, or by proxy or corporate representative).

- **(Voting test)** holders of at least 75% of the total number of votes cast on the Scheme Resolution by Scheme Participants present and voting at the Scheme Meeting (either in person, or by proxy or corporate representative).

Instructions on how to vote at the Scheme Meeting are set out in section 2.3 of this Scheme Booklet and the Notice of Scheme Meeting in Annexure D to this Scheme Booklet.

Steps 2 to 5 described below will only occur if the Scheme Resolution is passed by the Requisite Majorities.

Step 2: Second Court Hearing – Pelsart to apply to the Court for approval of the Scheme

Pelsart will apply for the Scheme Order if both:

- the Scheme is approved by the Requisite Majorities; and
- all of the conditions to the Scheme (other than Court approval) have been satisfied or (if permitted) waived.

Any Pelsart Shareholder and, with the Court's permission, any other interested person has a right to appear at the Second Court Hearing.

Step 3: Effective Date – Pelsart to make the Scheme Effective

If the Court makes an order approving the Scheme (referred to in this Scheme Booklet as the Scheme Order), Pelsart will lodge an office copy of the Scheme Order with ASIC. Once lodged, the Scheme will become Effective and binding on Sanfield, Pelsart and each Scheme Participant (referred to in this Scheme Booklet as the Effective Date).

Each Scheme Participant, without the need for any further act, irrevocably appoints Pelsart and all of its directors, secretaries and officers (jointly and severally) as its attorney and agent for the purpose of executing any document necessary to give effect to the Scheme, including a proper instrument of transfer in respect of the Scheme Shares.

Step 4: Scheme Record Date – Pelsart to determine entitlements to Scheme Consideration

Those Scheme Participants on the Register on the Scheme Record Date, which is expected to be 5:00pm (AWST) on 2 August 2024 (the fifth Business Day after the Effective Date), will be entitled to receive the Scheme Consideration in respect of the Scheme Shares they hold on that date.

(a) Dealings on or prior to the Scheme Record Date

For the purposes of determining who is a Scheme Participant (that is, a Pelsart Shareholder on the Register on the Scheme Record Date other than an Excluded Shareholder), dealings in Pelsart Shares will only be recognised if registrable transmission applications or transfers in respect of those dealings are received on or before 5:00pm (AWST) on the Scheme Record Date at the place where the Register is kept.

Pelsart will not accept for registration or recognise for any purpose except a transfer by Sanfield or its successors in title, any transfer or transmission application or other request received after 5:00pm (AWST) on the Scheme Record Date or received prior to 5:00pm (AWST) on the Scheme Record Date but not in registrable or actionable form (as appropriate).

(b) Dealings after the Scheme Record Date

For the purposes of determining entitlements to the Scheme Consideration, Pelsart will maintain the Register in its form as at the Scheme Record Date until the Scheme Consideration has been

paid to the Scheme Participants. The Register in this form will solely determine entitlements to the Scheme Consideration.

From the Scheme Record Date:

- (i) all statements of holding for Scheme Shares will cease to have any effect as documents of title in respect of those Scheme Shares; and
- (ii) each entry on the Register in respect of a Scheme Share will cease to have effect, other than as evidence of entitlement to the Scheme Consideration in respect of the Scheme Shares relating to that entry.

Step 5: Implementation Date – Scheme Participants receive the Scheme Consideration and Scheme Shares transferred to Sanfield

The Implementation Date is expected to be 9 August 2024.

If the Scheme becomes Effective, Sanfield must, by no later than two Business Days before the Implementation Date, deposit in cleared funds into the Scheme Trust Account an amount equal to the aggregate amount of the total Scheme Consideration payable to all Scheme Participants.

On the Implementation Date:

- each Scheme Participant will be paid the Scheme Consideration of \$0.035 cash per Scheme Share; and
- once paid, the Scheme Shares will be transferred to Sanfield, without the Scheme Participants needing to take any further action, and the Register will be updated so that Sanfield is listed as the holder of all the Scheme Shares.

Details regarding the funding of the Scheme Consideration are set out in section 6.6 of this Scheme Booklet.

8.4. Deemed warranties by Scheme Participants

Under the Scheme, each Scheme Participant is deemed to have warranted to Pelsart, in its own right and for the benefit of Sanfield, that as at the Implementation Date:

- All of its Scheme Shares that are transferred to Sanfield under the Scheme, including any rights and entitlements attaching to those Scheme Shares, will, at the time of transfer, be free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any “security interests” as defined in the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind.
- All of its Scheme Shares that are transferred to Sanfield under the Scheme will, on the date on which they are transferred to Sanfield, be fully paid.
- It has full power and capacity to transfer its Scheme Shares to Sanfield, together with any rights attaching to those Scheme Shares.

9. Additional information

This section 9 sets out the statutory information required under section 412(1) of the Corporations Act and Part 3 of Schedule 8 of the *Corporations Regulations 2001* (Cth) (**Corporations Regulations**), but only to the extent that this information is not otherwise disclosed in other sections of this Scheme Booklet. This section 9 also includes additional information that your Directors consider material to a decision on how to vote on the Scheme Resolution.

9.1. Interests of Pelsart Directors in Pelsart Shares

As at the date immediately before the date of this Scheme Booklet, the interests of Pelsart Directors in Pelsart Shares are as follows:

Pelsart Director	Direct Interest	Indirect Interest
Enk Ee Tan	Nil	Nil
Sean Gustav Standish Hughes	Nil	Nil
James Kok Choon Chan	Nil	Nil
Richard Teng Beng Tan	4,266 Pelsart Shares	Nil

If the Scheme is implemented, Richard Tan will be entitled to receive \$149.31 in Scheme Consideration in respect of the Scheme Shares he holds.

Richard Tan intends to vote in favour of the Scheme in respect of the Scheme Shares he holds.

9.2. Pelsart Directors' dealings in Pelsart Shares

No Pelsart Director acquired or disposed of a Relevant Interest in any Pelsart Shares in the four-month period ending on the date immediately before the date of this Scheme Booklet.

9.3. Interests and dealings of Pelsart Directors in securities in Sanfield

(a) Pelsart Directors' interests in securities in Sanfield Group entities

As at the date immediately before the date of this Scheme Booklet, no securities in any member of the Sanfield Group were held by or on behalf of any Director.

(b) Pelsart Directors' dealings in securities in Sanfield Group Entities

No Pelsart Director acquired or disposed of a Relevant Interest in any securities in any member of the Sanfield Group in the four-month period ending on the date immediately before the date of this Scheme Booklet.

9.4. Benefits and agreements

(a) Benefits in connection with retirement from office

No payment or other benefit is proposed to be made or given to any director, secretary or executive officer of Pelsart or a Related Body Corporate of Pelsart, as compensation for loss of, or as consideration for or in connection with their retirement from, office in Pelsart or in a Related Body Corporate of Pelsart.

(b) **Other agreements or arrangements connected with or conditional on the Scheme**

There is no agreement or arrangement made between any Pelsart Director and another person in connection with, or conditional on, the outcome of the Scheme.

(c) **Interests of Pelsart Directors in contracts with Sanfield**

In accordance with the requirements of the Scheme Implementation Deed between Pelsart and Sanfield, Pelsart must:

- (i) prior to the Effective Date, arrange for the cover currently provided under its directors' and officers' insurance policy (**Policy**) to be extended for a further period of 12 months; and
- (ii) by no later than the Implementation Date, to the extent practicable at normal commercial rates, arrange for the cover provided under the Policy to be amended so as to provide run off cover in accordance with the terms of the Policy for a seven-year period from the end of the term of the Policy, and pay all premiums required so as to ensure that insurance cover is provided under the Policy on those terms until that date.

The Pelsart Directors will have the benefit of the extended Policy if the Scheme is implemented.

Except to the extent stated above, none of the Pelsart Directors are interested in any other contract entered into by a Sanfield Group Entity.

(d) **Benefits from Sanfield**

None of the Pelsart Directors has agreed to receive, or is entitled to receive, any benefit from Sanfield or any Related Body Corporate of Sanfield that is conditional on, or is related to, the Scheme.

9.5. Pelsart Shares sold in the previous 6 months

The following information comprises the information that Pelsart has as to the number of Pelsart Shares sold in the 6 months before the date of this Scheme Booklet and prices at which the Pelsart Shares were sold. This information is based on the information provided by the Share Registry:

- On 28 February 2024, 42,666 Pelsart Shares were transferred for an unspecified nominal amount per share.
- On 20 May 2024, 10,000 Pelsart Shares were transferred for an unspecified nominal amount per share.
- On 20 May 2024, 46,666 Pelsart Shares were transferred for an unspecified nominal amount per share.
- On 18 June 2024, 1 (one) Pelsart Share was agreed to be transferred to William Moncrieff at a price of \$0.035 by a Pelsart Shareholder (who is not Sanfield nor a Pelsart Director). The purpose of the agreed transfer is to enable William Moncrieff, Counsel of Blackwall Legal LLP (Pelsart's legal adviser), to become registered as a Shareholder for the purposes of him being nominated to chair the Scheme Meeting in accordance with the Company's constitution.

9.6. ASIC relief and consent

No ASIC relief from the requirements of the Corporations Act was required for the purposes of the Scheme or the issue of this Scheme Booklet.

In accordance with the requirement in clause 8305 of Part 3 of Schedule 8 of the Corporations Regulations, Pelsart has applied to ASIC for consent, and ASIC has given its consent, to the inclusion in the Independent Expert's Report of: (a) a forecast of the profits or profitability of Pelsart; and (b) a statement that the market value of an asset or assets of Pelsart or of a related body corporate of Pelsart differs from an amount at which the value of the asset or assets is shown in the books of Pelsart or the related body corporate, in circumstances where the Independent Expert's Report contains: (c) a discounted cash flow (DCF) valuation of the assets of PTK (a Related Body Corporate of Pelsart); and (d) a statement or statements to the effect that the market value of an asset or assets of Pelsart and PTK from an amount at which the value of the asset or assets is shown in the books of Pelsart (being the financial statements of Pelsart as at 31 December 2023 – refer section 5.5 of this Scheme Booklet).

9.7. Formal disclosures and consents

The following parties have given and have not, before the date of this Scheme Booklet, withdrawn their written consent to both:

- be named in this Scheme Booklet in the form and context in which they are named; and
- if applicable, the inclusion of each statement it has made (if any) in the form and context in which the statement appears in this Scheme Booklet.

Name	Role
Blackwall Legal LLP	Australian legal adviser to Pelsart
Elderton Audit Pty Ltd	Auditor of Pelsart
BDO Corporate Finance (WA) Pty Ltd	Independent Expert
Valuation and Resource Management Pty Ltd	Author of Independent Technical Assessment and Valuation Report included in the Independent Expert's Report
BDO Corporate Tax (WA) Pty Ltd	Tax adviser to Pelsart
Automic Pty Ltd	Share Registry

Sanfield has:

- accepted responsibility for the Sanfield Information; and
- has given and has not, before the date of this Scheme Booklet, withdrawn its written consent to the inclusion of the Sanfield Information in the form and context in which it appears in this Scheme Booklet.

Elderton Audit Pty Ltd has given, and not withdrawn before the date of this Scheme Booklet, its written consent to the inclusion of references to the audited financial reports of the Pelsart Group for the financial years ended 31 December 2023 and 31 December 2022 in this Scheme Booklet in the form and context in which those references appear in Section 5.5.

BDO Corporate Tax (WA) Pty Ltd has given, and not withdrawn before the date of this Scheme Booklet, its written consent to the inclusion of the Section entitled "Taxation consequences of Scheme" in this Scheme Booklet in the form and context in which it appears in section 7.

BDO Corporate Finance (WA) Pty Ltd has given, and not withdrawn before the date of this Scheme Booklet, its written consent to the inclusion of its Independent Expert's Report in this Scheme Booklet in

the form and context in which it appears in Annexure E and references to the Independent Expert's Report in the form and context in which they appear.

Valuation and Resource Management Pty Ltd has given, and not withdrawn before the date of this Scheme Booklet, its written consent to the inclusion of its Independent Technical Assessment and Valuation Report in this Scheme Booklet in the form and context in which it appears in the Independent Expert's Report (Annexure E) and references to the Independent Technical Assessment and Valuation Report in the form and context in which they appear.

Each person named above:

- Does not make or purport to make any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based, other than:
 - Sanfield in respect of the Sanfield Information;
 - the Independent Expert in respect of the Independent Expert's Report;
 - Valuation and Resource Management Pty Ltd in respect of the Independent Technical Assessment and Valuation Report included with the Independent Expert's Report;
 - Elderton Audit Pty Ltd in respect of the Pelsart Group's audited financial reports for the financial years ended 31 December 2023 and 31 December 2022; and
 - BDO Corporate Tax (WA) Pty Ltd in respect of section 7 of the Scheme Booklet.
- To the maximum extent permitted by law, disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Scheme Booklet, other than a reference to its name and any statement included in this Scheme Booklet with the consent of that persons as specified in this section 9.7.
- Has not authorised or caused the issue of the Scheme Booklet.

9.8. Material litigation

To the best knowledge of the Pelsart Board and senior management, Pelsart is not currently involved in any litigation or dispute that is material in the context of Pelsart and its Related Bodies Corporate taken as a whole.

9.9. No unacceptable circumstances

The Pelsart Board believes that the Scheme does not involve any circumstances in relation to the affairs of Pelsart that could reasonably be characterised as constituting “unacceptable circumstances” for the purposes of section 657A of the Corporations Act.

9.10. Foreign jurisdictions

The distribution of this Scheme Booklet outside of Australia may be restricted by law and persons who come into possession of it should seek advice on, and observe, any such restrictions. Any failure to comply with such restrictions may contravene applicable securities laws. Pelsart disclaims all liabilities to such persons.

Scheme Participants who are nominees, trustees or custodians are encouraged to seek independent advice as to how they should proceed.

No action has been taken to register or qualify this Scheme Booklet or any aspect of the Scheme in any jurisdiction outside Australia.

9.11. Other information material to the making of a decision in relation to the Scheme

Except as set out in this Scheme Booklet, so far as your Directors are aware, there is no information material to the making of a decision by a Scheme Participant in relation to the Scheme, being information that is within the knowledge of any Director or director of any Related Bodies Corporate of Pelsart, as at the date of this Scheme Booklet, that has not been previously disclosed to Scheme Participants.

9.12. Supplementary information

Pelsart will issue a supplementary document to this Scheme Booklet if it becomes aware of any of the following between the date of this Scheme Booklet and the Effective Date:

- A material statement in the Scheme Booklet is, or becomes, false or misleading in a material respect.
- A material omission from this Scheme Booklet.
- A significant change affecting a matter included in this Scheme Booklet.
- A significant new matter has arisen and it would have been required to be included in this Scheme Booklet if it had arisen before the date of this Scheme Booklet.

Depending on the nature and timing of the changed circumstances, and subject to obtaining any relevant approvals, Pelsart may circulate and publish any supplementary document by any of the following methods, as Pelsart, in its absolute discretion, considers appropriate:

- Placing an advertisement in a prominently published newspaper that is circulated generally throughout Australia.
- Posting the supplementary document to Scheme Participants at their Registered Address.
- Posting a statement on Pelsart's website at <https://www.pelsart.com.au>.

10. Glossary

10.1. Definitions

The meanings of the terms used in this Scheme Booklet are set out below.

ASIC	the Australian Securities and Investments Commission.
Associate	the meaning given to that term in sections 10 to 17 of the Corporations Act.
ATO	the Australian Taxation Office and includes the Commissioner of Taxation.
Automic	Automic Pty Ltd (ACN 152 260 814) trading as Automic Group, the Company's share registry service provider.
AWST	Australian Western Standard Time, being the time in Perth, Western Australia.
Business Day	a day other than a Saturday, Sunday or bank holiday or public holiday in Perth, Western Australia.
CGT	the meaning given to that term in the <i>Income Tax Assessment Act 1997</i> (Cth).
Company	Pelsart Resources N.L. (ACN 009 449 101).
Competing Proposal	<p>any proposal, offer, agreement or transaction, which if entered into or completed, would result in a Third Party (alone or with an Associate):</p> <ul style="list-style-type: none"> (a) acquiring a relevant interest, voting power, economic interest or derivative transaction in 5% or more of the Pelsart Shares or of the securities of any of member of the Pelsart Group; (b) directly or indirectly acquiring or obtaining an interest (including an economic interest) in all or a substantial part or material part of the Business or assets or property of, Pelsart or any member of the Pelsart Group; (c) acquiring Control of Pelsart or any member of the Pelsart Group; or (d) acquiring, or merging with, Pelsart or any member of the Pelsart Group (including by way of takeover bid, scheme of arrangement, capital reduction, buy-back, sale of assets, sale of securities, strategic alliance, dual listed company structure, joint venture or partnership), <p>or any proposal by Pelsart to implement any reorganisation of capital or any proposal, offer or transaction that is similar in structure to, or that would be reasonably regarded as being an alternative proposal to, the Transaction, or any proposal that would otherwise result in the Transaction not being able to be implemented on the basis set out in this document.</p>

Control	the meaning given to that term in section 50AA of the Corporations Act.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Court	the Supreme Court of Western Australia, or such other court of competent jurisdiction determined by Pelsart (after consultation, in good faith, with Sanfield).
Deed Poll	the deed poll entered into by Sanfield in the form set out in Annexure B.
Delivery Time	the meaning given to that term in the Scheme Implementation Deed.
Director	a director on the Pelsart Board.
Effective	when used in relation to the Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) in relation to the Scheme.
Effective Date	the date on which the Scheme becomes Effective.
Excluded Shareholder	means: (a) Sanfield; and (b) any of its Related Bodies Corporate.
Government Agency	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian.
GST	the meaning given to that term in the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
Implementation Date	the fifth Business Day after the Scheme Record Date, or such other date as Pelsart and Sanfield agree.
Independent Directors	James Kok Choon Chan and Richard Teng Ben Tan, being the Directors not associated with Sanfield.
Independent Expert	BDO Corporate Finance (WA) Pty Ltd ACN 124 031 045.
Independent Expert's Report	the report by the Independent Expert set out in Annexure E.
Independent Scheme Committee	the Independent Directors.
Independent Technical Assessment and Valuation Report	the report by Valuation and Resource Management Pty Ltd entitled "PT Pelsart Independent Technical Assessment and Valuation Report" contained in the Independent Expert's Report.

Notice of Scheme Meeting	the notice in relation to the Scheme Meeting set out in Annexure D to this Scheme Booklet.
Pelsart	Pelsart Resources N.L. (ACN 009 449 101).
Pelsart Board	the board of directors of Pelsart from time to time.
Pelsart Director	a director on the Pelsart Board.
Pelsart Group	collectively, Pelsart and each of its Related Bodies Corporate. A reference to a member of the Pelsart Group or a Pelsart Group Member is a reference to Pelsart or any Related Body Corporate
Pelsart Prescribed Occurrence	the meaning given to that term in the Scheme Implementation Deed.
Pelsart Share	a fully paid ordinary share in the capital of Pelsart.
Pelsart Shareholder	each person who is registered on the Register as a holder of Pelsart Shares.
Pelsart Shareholder Information Line	the information line set up for the purpose of responding to enquiries from Pelsart Shareholders in relation to the Scheme, being 1300 265 191 (within Australia) or +613 9415 4087 (outside Australia).
Primecorp	Primecorp Enterprises Limited, a company incorporated and registered in the British Virgin Islands, and the parent company of Sanfield.
Register	the share register of Pelsart.
Registered Address	in relation to a Pelsart Shareholder, the address of the shareholder shown on the Register as at the Scheme Record Date.
Related Body Corporate	that term as defined in section 50 of the Corporations Act.
Relevant Interest	that term as defined in sections 608 and 609 of the Corporations Act.
Requisite Majorities	means: <ul style="list-style-type: none"> (a) a majority in number (that is more than 50%) of Scheme Participants present and voting on the Scheme Resolution at the Scheme Meeting (either in person, or by proxy or corporate representative); and (b) at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by Scheme Participants (either in person, or by proxy or corporate representative).
Sanfield	Sanfield Holdings Limited (a company incorporated and registered in Hong Kong with business registration number 22103163).
Sanfield Counterproposal	an offer in writing to Pelsart in respect of an amendment to the Scheme Consideration or other terms of the Scheme, or proposing any other form of transaction, in response to a Competing Proposal, in accordance with clause 13 of the Scheme Implementation Deed.

Sanfield Group	Sanfield and each of its Related Bodies Corporate (excluding, at any time, Pelsart and its Subsidiaries to the extent that Pelsart and its Subsidiaries are Subsidiaries of Sanfield at that time). A reference to a member of the Sanfield Group or a Sanfield Group Entity is a reference to Sanfield or any such Related Body Corporate.
Sanfield Group Entity	an entity in the Sanfield Group.
Sanfield Information	the information set out in section 6 of this Scheme Booklet and any other sections prepared by Sanfield and for which Sanfield is responsible.
Scheme	the scheme of arrangement between Pelsart and Scheme Participants under Part 5.1 of the Corporations Act in respect of all Scheme Shares, substantially in the form set out in Annexure C, together with any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act to the extent they are approved in writing by Pelsart and Sanfield.
Scheme Booklet	this document, including any annexure or attachment to it.
Scheme Consideration	in respect of each Scheme Share, \$0.035 cash per Scheme Share.
Scheme Implementation Deed	the Scheme Implementation Deed between Pelsart and Sanfield dated 15 March 2024 as amended and restated on 6 June 2024. A copy is set out in Annexure A to this Scheme Booklet.
Scheme Meeting	the meeting of Scheme Participants ordered by the Court to be convened under section 411(1) of the Corporations Act.
Scheme Order	the order of the Court under section 411(4)(b) of the Corporations Act approving the Scheme, with or without modifications.
Scheme Participant	each person who is a Pelsart Shareholder as at the Scheme Record Date, other than an Excluded Shareholder.
Scheme Record Date	the record date for determining entitlements to the Scheme Consideration, being 5:00pm (AWST) on the fifth Business Day after the Effective Date, which is expected to be 5:00pm (AWST) on 2 August 2024, or such other date as Pelsart and Sanfield agree.
Scheme Resolution	the resolution to approve the Scheme to be voted on at the Scheme Meeting, as set out in the Notice of Scheme Meeting.
Scheme Share	a Pelsart Share held by a Scheme Participant.
Scheme Trust Account	an Australian dollar denominated trust account operated by Pelsart as trustee for the benefit of Scheme Participants.
Second Court Date	the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme is heard or scheduled to be heard or, if the application is adjourned for any reason, the date on which the adjourned application is heard or scheduled to be heard.

Second Court Hearing	the hearing of the application made to the Court for the order under section 411(4)(b) of the Corporations Act approving the Scheme.
Share Registry	Automic Pty Ltd (ACN 152 260 814) trading as Automic or Automic Group, the Company's share registry service provider.
Stamp Duty	means any stamp duty, transfer duty, landholder duty, transaction duty, loan duty, mortgage duty, instrument duty or other duty of a like kind, whether under the <i>Duties Act 2008</i> (WA) or equivalent legislation.
Subsidiary	that term as defined in the Corporations Act.
Superior Proposal	<p>a bona fide Competing Proposal that the Pelsart Board determines, acting in good faith and to satisfy what the Pelsart Board reasonably considers to be its fiduciary or statutory duties and after taking written advice from its legal counsel and financial adviser:</p> <p>(a) is reasonably capable of being completed substantially in accordance with its terms; and</p> <p>(b) would, if completed substantially in accordance with its terms, be likely to result in a transaction more favourable to Scheme Participants than the proposed Transaction (as modified by any Sanfield Counterproposal), having regard to all relevant matters, including consideration, conditionality, funding, certainty and timing.</p>
Tax Information	the information set out in section 7 of this Scheme Booklet.
Third Party	any person or entity other than a member of Sanfield Group or a member of the Pelsart Group.
Transaction	the acquisition by Sanfield of all Scheme Shares through implementation of the Scheme.
Voting Power	that term as defined in section 610 of the Corporations Act.

10.2. Interpretation

In this Scheme Booklet, the following rules apply unless the context requires otherwise.

- (a) Headings are inserted for convenience and do not affect the interpretation of this Scheme Booklet.
- (b) Words and phrases in this Scheme Booklet have the same meaning given to them (if any) in the Corporations Act.
- (c) The singular includes the plural and vice versa.
- (d) A gender includes all genders.
- (e) A reference to a person includes a corporation, trust, partnership, joint venture, association, unincorporated body or other body corporate and vice versa.
- (f) If a word is defined, another part of speech has a corresponding meaning.

- (g) A reference to a Section or Annexure is a reference to a Section or Annexure of this Scheme Booklet.
- (h) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.
- (i) Unless expressly stated otherwise, a reference to time is a reference to time in Perth, Western Australia.
- (j) Unless expressly stated otherwise, a reference to dollars and \$ is a reference to the lawful currency of Australia.

Annexure A – Scheme Implementation Deed

RESTATED SCHEME IMPLEMENTATION DEED

Pelsart Resources N.L. (ACN 009 449 101)

Pelsart

Sanfield Holdings Limited

Sanfield



Whadjuk Noongar Boodja
Level 26, 140 St Georges Terrace
Perth WA 6000

PO Box 8098
Cloisters Square
Perth WA 6850

Ref: 2312562

Contact: Will Moncrieff
will.moncrieff@blackwall.legal
+61 8 6169 2500

www.blackwall.legal



Restated Scheme Implementation Deed

Entered into on 15 March 2024 and amended and restated on 6 June 2024.

Parties

Pelsart	Pelsart Resources N.L. (ACN 009 449 101) of Ground Floor, 849 Wellington Street, West Perth, Western Australia, Australia 6005.
Sanfield	Sanfield Holdings Limited , a company incorporated and registered in Hong Kong with business registration number 22103163 of Unit 2306,9 Queen's Road Central, Hong Kong.

Background

- A. Pelsart and Sanfield have agreed that Sanfield will acquire Pelsart by way of the Scheme.
- B. Pelsart and Sanfield agreed to implement the Scheme and certain other matters in connection with the Scheme on and subject to the terms of the Original Deed.
- C. The parties have agreed to amend and restate the terms and conditions of the Original Deed as set out in this deed.

Operative Terms

This deed now provides:

1. DEFINITIONS AND INTERPRETATION

1.1. Definitions

Capitalised terms are defined in the Glossary located at Schedule 1.



1.2. Interpretation

Unless the contrary intention appears, in this deed:

- (a) if a word or phrase is defined, then its other grammatical forms have a corresponding meaning;
- (b) the singular includes the plural and vice versa;
- (c) a reference to:
 - (i) a gender includes any gender;
 - (ii) a living thing includes a reference to an inanimate thing and vice versa;
 - (iii) a clause, schedule or annexure is a reference to a clause, schedule or annexure to this deed;
 - (iv) a document includes a variation, amendment or replacement of that document;
 - (v) a statute includes its subordinate legislation and a modification, replacement or re-enactment of either;
 - (vi) this deed includes a schedule or annexure to this deed;
 - (vii) a person includes a reference to:
 - (1) an individual, a body corporate, a trust, a partnership, a joint venture an unincorporated body or other entity, whether or not it is a separate legal entity;
 - (2) if the person is an individual, the person's personal representatives and assigns; and
 - (3) if the person is not an individual, the person's successors and assigns;
 - (viii) law includes a constitutional provision, treaty, decree, convention, statute, act, code, regulation, rule, order, ordinance, proclamation, subordinate legislation, by law, judgment, rule of common law, rule of equity, or rule of civil law, as amended, consolidated, re-enacted, replaced or applied to new or different facts;
 - (ix) a thing, including a right, is a reference to either the whole thing or a part of the thing;
 - (x) conduct includes an omission, statement or undertaking, whether or not in writing;
 - (xi) \$, A\$ or dollars is to Australian currency;
 - (xii) time is to the time in Perth, Western Australia;



- (xiii) a day is a reference to the period which starts at midnight and ends 24 hours later;
- (xiv) “writing” or “written” includes email; and
- (xv) a right includes a benefit, remedy, discretion or power;
- (d) the words “include”, “includes”, “including”, “for example”, “such as” or similar expressions are not words of limitation and do not restrict the interpretation of a word or phrase in this deed;
- (e) a term, condition or warranty in this deed in favour of or on the part of two or more people benefits or binds them jointly and severally;
- (f) if the date on which a thing must be done is not a Business Day, then that thing must be done on the next Business Day;
- (g) if a period of time runs from a given date, act or event, then the time is calculated exclusive of the date, act or event; and
- (h) a clause is not to be construed against a party solely on the ground that the party is responsible for the preparation of this deed or that clause.
- (i)

1.3. Headings

Headings and subheadings are for convenience only and do not affect the interpretation of this deed.

1.4. Consents or approvals

If the doing of any act, matter or thing under this deed is dependent on the consent or approval of a party or is within the discretion of a party, the consent or approval may be given or the discretion may be exercised conditionally or unconditionally or withheld by the party in its absolute discretion unless expressly provided otherwise.

1.5. Reasonable and best endeavours

Any provision of this deed which requires a party to use reasonable endeavours or best endeavours to procure that something is performed or occurs or does not occur does not include any obligation:

- (a) to pay any money or provide any financial compensation, valuable consideration or any other incentive to or for the benefit of any person except for payment of any applicable fee for the lodgement or filing of any relevant application with any Government Agency; or



- (b) to commence any legal action or proceeding against any person, except where that provision expressly specifies otherwise.

2. AMENDMENT AND RESTATEMENT OF ORIGINAL DEED

- (a) In accordance with clause 16.10 of the Original Deed, the Original Deed is amended and restated as set out in this deed, with effect from the date of this deed.
- (b) The amendments to the Original Deed do not affect:
 - (i) the validity or enforceability of the Original Deed; or
 - (ii) any accrued rights or liabilities of either party under the Original Deed.
- (c) Each party is bound by, and ratifies and confirms, the Original Deed, as amended by this deed.
- (d) This deed prevails to the extent of any conflict or inconsistency with the Original Deed.

3. AGREEMENT TO PROPOSE SCHEME

- (a) Pelsart agrees to propose and implement the Scheme on and subject to the terms of this deed, and substantially in accordance with the Timetable.
- (b) Sanfield agrees to assist Pelsart to propose and implement the Scheme on and subject to the terms of this deed.

4. CONDITIONS PRECEDENT

4.1. Conditions to Scheme

Subject to this clause 4, the Scheme will not become Effective, and the respective obligations of the parties in relation to the implementation of the Scheme will not be binding, unless and until each of the following conditions precedent is satisfied or waived to the extent and in the manner set out in this clause 4:



- (a) **(ASIC)** ASIC has issued or provided (and not withdrawn, revoked or varied) such consents, modifications and/or approvals or has done such other acts which are necessary or the parties agree are reasonably desirable to implement the Scheme;
- (b) **(Regulatory Authority)** all other consents, waivers and approvals of a Regulatory Authority which Pelsart and Sanfield, consider are necessary or desirable to implement the Scheme are obtained;
- (c) **(No Pelsart Prescribed Occurrence)** no Pelsart Prescribed Occurrence occurs between the date of this deed and the Delivery Time on the Second Court Date;
- (d) **(No restraints)** no court or Government Agency has issued or taken steps to issue an order, temporary restraining order, preliminary or permanent injunction, decree or ruling or taken any action enjoining, restraining or otherwise imposing a legal restraint or prohibition preventing the implementation of any material aspect of the Scheme and no such order, decree, ruling, other action or refusal is in effect at the Delivery Time on the Second Court Date;
- (e) **(Independent Expert)** the Independent Expert issues a report which concludes that the Scheme is in the best interests of Scheme Participants before the date on which the Scheme Booklet is lodged with ASIC and the Independent Expert does not publicly withdraw, qualify or change that opinion at any time prior to 8.00am on the Second Court Date;
- (f) **(Pelsart Warranties)** the Pelsart Warranties are true and correct in all material respects on the date of this deed and at the Delivery Time on the Second Court Date;
- (g) **(Sanfield Warranties)** the Sanfield Warranties are true and correct in all material respects on the date of this deed and at the Delivery Time on the Second Court Date;
- (h) **(Shareholder approval)** the Scheme is approved by Scheme Participants at the Scheme Meeting by the majorities required under section 411(4)(a)(ii) of the Corporations Act; and
- (i) **(Court approval)** the Court approved the Scheme in accordance with section 411(4)(b) of the Corporations Act either unconditionally or on conditions that do not impose unduly onerous obligations on either party (acting reasonably).



4.2. Benefit and waiver of conditions

- (a) The Conditions in clause 4.1(c) and clause 4.1(f) are for the sole benefit of Sanfield and any breach or non-fulfilment of them may only be waived by Sanfield giving its written consent.
- (b) The Condition in clause 4.1(g) (Sanfield Warranties) is for the sole benefit of Pelsart and any breach or non-fulfilment of it may only be waived by Pelsart giving its written consent.
- (c) A party entitled to waive a Condition pursuant to this clause 4.2 may do so in its absolute discretion. Any waiver of a Condition by a party for whose benefit the Condition applies must take place on or prior to the Delivery Time on the Second Court Date.
- (d) The Conditions in clause 4.1(a), clause 4.1(d), clause 4.1(h) and clause 4.1(i) cannot be waived.
- (e) If a party waives the breach or non-fulfilment of any of the Conditions in clause 4.1, that waiver will not preclude it from suing the other party for any breach of this deed including a breach that resulted in the non-fulfilment of the Condition that was waived.

4.3. Reasonable endeavours

Pelsart and Sanfield will use their respective reasonable endeavours to procure that each of the Conditions is satisfied as soon as reasonably practicable after the date of this deed and continues to be satisfied at all times until the last time they are to be satisfied (as the case may require).

4.4. Notifications

Each of Sanfield and Pelsart must:

- (a) keep the other party promptly and reasonably informed of the steps it has taken and of its progress towards satisfaction of the Conditions;
- (b) promptly notify the other party in writing if it becomes aware that any Condition has been satisfied; and
- (c) promptly notify the other party in writing if it becomes aware that any Condition is or has become incapable of being satisfied (having regard to the respective obligations of each party under clause 4.3).



4.5. Certificate

Before the Delivery Time on the Second Court Date:

- (a) Sanfield and Pelsart will provide a joint certificate to the Court confirming whether or not the Condition set out in clause 4.1(d) has been satisfied or waived in accordance with the terms of this deed;
- (b) Pelsart will provide a certificate to the Court confirming whether or not the Conditions set out in clause 4.1(c), clause 4.1(f) and clause 4.1(h) have been satisfied or waived in accordance with the terms of this deed;
- (c) Sanfield will provide a certificate to the Court confirming whether or not the Conditions set out in clause 4.1(g) have been satisfied or waived in accordance with the terms of this deed;
- (d) Pelsart will provide a certificate to Sanfield confirming whether or not it has breached any of its obligations under this deed (including a breach of a representation or warranty), and if it has, giving details of such breaches; and
- (e) Sanfield will provide a certificate to Pelsart confirming whether or not it has breached any of its obligations under this deed (including a breach of a representation or warranty), and if it has, giving details of such breaches.

4.6. Scheme voted down

If the Scheme is not approved by Scheme Participants at the Scheme Meeting by reason only of the Headcount Test not being satisfied and Pelsart or Sanfield considers (acting reasonably) that Share Splitting or other improper conduct is reasonably likely to have caused or contributed to the failure of the Headcount Test, Pelsart must:

- (a) apply for an order of the Court under section 411(4)(a)(ii)(A) of the Corporations Act to seek Court approval of the Scheme under section 411(4)(b) of the Corporations Act, notwithstanding that the Headcount Test has not been satisfied; and
- (b) make submissions to the Court and file such evidence as Pelsart, in consultation with its legal counsel and with Sanfield, considers is reasonably required to seek to have the Court exercise its discretion under section 411(4)(a)(ii)(A) of the Corporations Act by making an order to disregard the Headcount Test.



4.7. Conditions not capable of being fulfilled

- (a) If:
- (i) any Condition is not satisfied or (where capable of waiver) waived by the date specified in this deed for its satisfaction (or an event occurs which would, or is likely to prevent a condition precedent being satisfied by the date specified in this deed);
 - (ii) a circumstance occurs with the result that a Condition is not capable of being fulfilled and, if the Condition is able to be waived by a party under clause 4.2, the party does not waive the Condition within seven Business Days after the occurrence of the circumstance; or
 - (iii) the Scheme does not become Effective by the End Date and a Superior Proposal has not been publicly recommended by a majority of the Directors,

Pelsart and Sanfield must consult reasonably with a view to determining whether:

- (iv) the Scheme may proceed by way of alternative means;
 - (v) to extend the relevant time or date for satisfaction of the Condition;
 - (vi) to change the date of the application to be made to the Court for orders under section 411(4)(b) of the Corporations Act approving the Scheme or adjourning that application (as applicable) to another date agreed by the parties; or
 - (vii) to extend the End Date.
- (b) Subject to clause 4.7(c), if a Condition becomes incapable of being satisfied before the End Date and Pelsart and Sanfield are unable to reach agreement under clause 4.7(a) within five Business Days of the date on which they both become aware that the Condition has become incapable of being satisfied (or, if earlier, by the Delivery Time on the Second Court Date), then unless the relevant Condition (where capable of waiver) is waived:
- (i) in relation to the Condition in clause 4.1(d) or clause 4.1(h), either Sanfield or Pelsart may terminate this deed by giving the other party notice without any liability to any party by reason of that termination alone;
 - (ii) in relation to the Conditions in clause 4.1(c) and clause 4.1(f), Sanfield may terminate this deed by giving Pelsart notice without any liability to any party by reason of that termination alone; and



- (iii) in relation to the Condition in clause 4.1(g), Pelsart may terminate this deed by giving Sanfield notice without any liability to any other party by reason of that termination alone.
- (c) A party will not be entitled to terminate this deed pursuant to clause 4.7(b) if the relevant Condition has not been satisfied as a result of:
 - (i) a breach of this deed by that party; or
 - (ii) a deliberate act or omission of that party which either alone or together with other circumstances prevents that Condition being satisfied.

4.8. Interpretation

For the purposes of this clause 4, a Condition will be incapable of satisfaction, or incapable of being fulfilled if there is an act, failure to act or occurrence that will prevent the Condition being satisfied by the End Date (and the breach or non-fulfilment that would otherwise have occurred has not already been waived in accordance with this deed).

5. TRANSACTION STEPS

5.1. Scheme

Pelsart must, substantially in accordance with the Timetable, propose the Scheme under which, subject to the Scheme becoming Effective, all of the Scheme Shares will be transferred to Sanfield and the Scheme Participants will be entitled to receive, for each Scheme Share held at the Record Date, the Scheme Consideration.

5.2. Scheme Consideration

Sanfield covenants in favour of Pelsart (in Pelsart's own right and separately as trustee for each Scheme Participant) that, in consideration of the transfer to Sanfield of the Scheme Shares under the terms of the Scheme, on the Implementation Date, Sanfield will:

- (a) accept that transfer; and
- (b) provide each Scheme Participant the Scheme Consideration, in accordance with the Scheme.



5.3. Deed Poll

Sanfield covenants in favour of Pelsart (in Pelsart's own right and separately as trustee for each of the Scheme Participants) to execute, deliver and perform the Deed Poll prior to the First Court Date.

6. IMPLEMENTATION

6.1. Pelsart's obligations

Pelsart must take all steps reasonably necessary to propose and (subject to all of the Conditions being satisfied or waived in accordance with their terms) implement the Scheme as soon as reasonably practicable after the date of this deed and substantially in accordance with the Timetable, including taking each of the following steps:

- (a) **(Scheme Booklet)** prepare the Scheme Booklet in accordance with clause 6.3;
- (b) **(Independent Expert)** promptly appoint the Independent Expert and provide all assistance and information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert Report for inclusion in the Scheme Booklet;
- (c) **(Approval of draft for ASIC)** as soon as reasonably practicable after the preparation of an advanced draft of the Scheme Booklet suitable for review by ASIC, procure that a meeting of the Pelsart Board, or of a committee of the Pelsart Board appointed for the purpose, is held to consider approving that draft as being in a form appropriate for provision to ASIC for its review and approval for the purposes of section 411(2) of the Corporations Act;
- (d) **(Draft to ASIC)** as soon as reasonably practicable after the date of this deed:
 - (i) provide an advanced draft of the Scheme Booklet, in a form approved in accordance with clause 6.1(c) and clause 6.2(d), to ASIC for its review and approval for the purposes of section 411(2) of the Corporations Act; and
 - (ii) liaise with ASIC during the period of its consideration of that draft of the Scheme Booklet and keep Sanfield reasonably informed of any matters raised by ASIC in relation to the Scheme Booklet and use reasonable endeavours, in consultation with Sanfield, to resolve any such matters;
- (e) **(Approval of Scheme Booklet)** as soon as reasonably practicable after the conclusion of the review by ASIC of the Scheme Booklet, procure that a meeting of the Pelsart Board, or of a committee of the Pelsart Board appointed



for the purpose, is held to consider approving the Scheme Booklet for dispatch to the Scheme Participants, subject to orders of the Court under section 411(1) of the Corporations Act;

- (f) **(Section 411(17)(b) statements)** apply to ASIC for the production of:
 - (i) an indication of intent letter stating that it does not intend to appear before the Court on the First Court Date; and
 - (ii) a statement in writing pursuant to section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme;
- (g) **(First Court hearing)** lodge all documents with the Court and take all other reasonable steps to ensure that promptly after, and provided that, the approvals in clause 6.1(e) and clause 6.2(e) have been received, an application is heard by the Court for an order under section 411(1) of the Corporations Act directing Pelsart to convene the Scheme Meeting;
- (h) **(Registration of explanatory statement)** request ASIC to register the explanatory statement included in the Scheme Booklet in relation to the Scheme in accordance with section 412(6) of the Corporations Act;
- (i) **(Convening Scheme Meeting)** take all reasonable steps necessary to comply with the orders of the Court including, as required, dispatching the Scheme Booklet to the Scheme Participants and convening and holding the Scheme Meeting;
- (j) **(Court approval application if parties agree that conditions are capable of being satisfied)** if the resolution submitted to the Scheme Meeting is passed by the majorities required under section 411(4)(a)(ii) of the Corporations Act, and if the parties agree on the Business Day immediately following the Scheme Meeting that it can be reasonably expected that all of the remaining Conditions will be satisfied or waived prior to the proposed Second Court Date, apply (and, to the extent necessary, re-apply) to the Court for orders approving the Scheme;
- (k) **(Appeal process)** if the Court refuses to make any orders directing Pelsart to convene the Scheme Meeting or approving the Scheme, Pelsart and Sanfield must:
 - (i) consult with each other, each acting reasonably, as to whether to appeal the Court's decision; and
 - (ii) appeal the Court decision unless the parties agree otherwise or an independent senior legal counsel instructed by Pelsart opines that, in their view, an appeal would have no reasonable prospect of success;



- (l) **(Implementation of Scheme)** if the Scheme is approved by the Court:
 - (i) promptly lodge with ASIC an office copy of the orders approving the Scheme in accordance with section 411(10) of the Corporations Act;
 - (ii) determine entitlements to the Scheme Consideration as at the Record Date in accordance with the Scheme;
 - (iii) execute proper instruments of transfer, and effect and register the transfer, of the Scheme Shares to Sanfield on the Implementation Date; and
 - (iv) do all other things contemplated by or necessary to give effect to the Scheme and the orders of the Court approving the Scheme;
- (m) **(Sanfield Information)** without the prior written consent of Sanfield, not use Sanfield Information for any purposes other than those expressly contemplated by this deed or the Scheme;
- (n) **(Documents)** consult with Sanfield in relation to the content of the documents required for the purpose of the Scheme (including originating process, affidavits, submissions and draft minutes of Court orders) and consider, for the purpose of amending drafts of those documents, any reasonable comments from Sanfield on those documents; and
- (o) **(Compliance with laws)** do everything reasonably within its power to ensure that all transactions contemplated by this deed are effected in accordance with all applicable laws.

6.2. Sanfield's obligations

Sanfield must take all steps reasonably necessary to assist Pelsart to implement the Scheme as soon as reasonably practicable and substantially in accordance with the Timetable, including taking each of the following steps:

- (a) **(Sanfield Information)** provide to Pelsart, in a form appropriate for inclusion in the Scheme Booklet, all information regarding Sanfield, the arrangements Sanfield has in place to fund the Scheme Consideration, and Sanfield's intentions with respect to the assets, business and employees of Pelsart if the Scheme is approved and implemented that is required by all applicable law and ASIC Regulatory Guides for inclusion in the Scheme Booklet, which information must:
 - (i) contain all information necessary to enable Pelsart to ensure that the Scheme Booklet complies with the requirements of RG 60;



- (ii) not be misleading or deceptive in any material respect (whether by omission or otherwise), including in the form and context in which it appears in the Scheme Booklet; and
 - (iii) be updated by all such further or new material information which may arise after the Scheme Booklet has been dispatched until the date of the Scheme Meeting which is necessary to ensure that it is not misleading or deceptive in any material respect (whether by omission or otherwise);
- (b) (**Assist Independent Expert**) promptly provide all assistance and information reasonably requested by the Independent Expert to enable it to prepare the Independent Expert Report for inclusion in the Scheme Booklet;
- (c) (**Review drafts of Scheme Booklet**) as soon as reasonably practicable after delivery, review the drafts of the Scheme Booklet prepared by Pelsart and provide comments on those drafts;
- (d) (**Approval of draft for ASIC**) as soon as reasonably practicable after the preparation of an advanced draft of the Scheme Booklet suitable for review by ASIC, procure that a meeting of the appropriate decision-makers of Sanfield is held to consider approving those sections of that draft that relate to Sanfield as being in a form appropriate for provision to ASIC for review;
- (e) (**Approval of Scheme Booklet**) as soon as reasonably practicable after the conclusion of the review by ASIC of the Scheme Booklet, procure that a meeting of the appropriate decision-makers of Sanfield is held to consider approving those sections of the Scheme Booklet that relate to Sanfield as being in a form appropriate for dispatch to Scheme Participants, subject to approval of the Court;
- (f) (**Representation**) procure that, if requested by Pelsart, Sanfield is represented by legal counsel at the Court hearings convened for the purposes of section 411(1) and (4)(b) of the Corporations Act;
- (g) (**Pelsart Information**) without the prior written consent of Pelsart, not use Pelsart Information for any purposes other than those expressly contemplated by this deed or the Proposed Transaction;
- (h) (**Compliance with laws**) do everything reasonably within its power to ensure that all transactions contemplated by this deed are effected in accordance with all applicable laws; and
- (i) (**Implementation**) if the Scheme becomes Effective, do all things contemplated of it under the Scheme in accordance with the Deed Poll.



6.3. Scheme Booklet: preparation principles

- (a) As soon as reasonably practicable and substantially in accordance with the Timetable, Pelsart must prepare the Scheme Booklet in compliance with:
 - (i) all applicable laws, in particular with the Corporations Act and RG 60; and
 - (ii) this clause 6.3.
- (b) The Scheme Booklet will include:
 - (i) the terms of the Scheme;
 - (ii) the notice of Scheme Meeting, and any other notice of meeting in respect of any resolution that is necessary, expedient or incidental to give effect to the Scheme, together with a proxy form for the Scheme Meeting and for any ancillary meeting;
 - (iii) the Pelsart Information;
 - (iv) Sanfield Information;
 - (v) a copy of this deed (without the schedules or annexures) or a summary of it;
 - (vi) a copy of the executed Deed Poll; and
 - (vii) a copy of the Independent Expert Report.
- (c) The Scheme Booklet must include a statement that:
 - (i) other than Sanfield Information and the Independent Expert Report, the Scheme Booklet has been prepared by Pelsart and is the responsibility of Pelsart, and that Sanfield assumes no responsibility for the accuracy or completeness of the Scheme Booklet (other than Sanfield Information); and
 - (ii) Sanfield Information has been provided by Sanfield and is the responsibility of Sanfield, and Pelsart assumes no responsibility for the accuracy or completeness of Sanfield Information.
- (d) Pelsart must make available to Sanfield drafts of the Scheme Booklet (including, subject to clause 6.3(e), a draft of the Independent Expert Report), consult with Sanfield in relation to the content of those drafts (other than Sanfield Information), and consider, acting reasonably and in good faith, for the purpose of amending those drafts, comments from Sanfield on those drafts. Sanfield acknowledges and agrees that Pelsart has ultimate discretion



with respect to the preparation, form and content of the Scheme Booklet, other than as expressly provided in this deed with respect to Sanfield Information.

- (e) Pelsart must make available to Sanfield a factual accuracy draft of the Independent Expert Report and consider any reasonable comments, which comments must be limited to matters of factual accuracy and Pelsart makes no representation, and gives no assurance, as to the extent to which such comments will be considered or incorporated by the Independent Expert;
- (f) Pelsart must seek approval from Sanfield for the form and context in which Sanfield Information appears in the Scheme Booklet, and Sanfield must not unreasonably withhold or delay such approval, and Pelsart must not lodge the Scheme Booklet with ASIC until such approval is obtained from Sanfield.
- (g) Pelsart must take all reasonable steps to ensure that the Scheme Booklet (other than Sanfield Information) is not misleading or deceptive in any material respect (whether by omission or otherwise) as at the date it is dispatched to Scheme Participants.
- (h) Sanfield must take all reasonable steps to ensure that Sanfield Information is not misleading or deceptive in any material respect (whether by omission or otherwise) as at the date on which the Scheme Booklet is dispatched to Scheme Participants.
- (i) Pelsart must provide to Sanfield all such further or new information of which Pelsart becomes aware that arises after the Scheme Booklet has been dispatched until the date of the Scheme Meeting where this is or may be necessary to ensure that the Scheme Booklet continues to comply with the Corporations Act and RG 60.
- (j) Sanfield must provide to Pelsart all such further or new information of which Sanfield becomes aware that arises after the Scheme Booklet has been dispatched until the date of the Scheme Meeting where this is or may be necessary to ensure that Sanfield Information continues to comply with the Corporations Act and RG 60.
- (k) Pelsart and Sanfield agree that the efficient preparation of the Scheme Booklet and the implementation of the Scheme are in the interests of Scheme Participants and Sanfield, and that they will use all reasonable endeavours and all necessary resources (including management resources and the resources of external advisers) to comply with their respective obligations under this clause 6.3 and to implement the Scheme as soon as reasonably practicable and substantially in accordance with the Timetable.



7. PELSART BOARD RECOMMENDATION

7.1. Recommendation

Subject to clause 7.3, Pelsart represents and warrants to Sanfield that, as at the date of this deed, it has been advised by each Director that they will recommend that Scheme Participants vote in favour of the Scheme, qualified only by the words “in the absence of a Superior Proposal and the Independent Expert continuing to consider the Scheme to be in the best interests of Scheme Participants”.

7.2. Scheme Booklet to contain recommendation

Subject to clause 7.3, Pelsart must ensure that the Scheme Booklet includes:

- (a) a unanimous recommendation by the Directors that Scheme Participants vote in favour of the Scheme qualified only by the words “in the absence of a Superior Proposal and the Independent Expert continuing to consider the Scheme to be in the best interests of Scheme Participants”; and
- (b) if applicable, a statement by each Director that they will vote in favour of the Scheme, in respect of all Pelsart Shares controlled or held by, or on behalf of, that Director (as appropriate), qualified only by the words “in the absence of a Superior Proposal”.

7.3. Withdrawal or modification of recommendation

- (a) Subject to clause 7.3(b), Pelsart represents and warrants to Sanfield, as at the date of this deed, that it has been advised by each Director that they will not:
 - (i) change, withdraw or modify their recommendation that Scheme Participants vote in favour of the Scheme; or
 - (ii) make any public statement or take any other action that is inconsistent with their recommendation that Scheme Participants vote in favour of the Scheme,
- (b) Clause 7.3(a) does not apply:
 - (i) where Pelsart receives a Competing Proposal and the Directors unanimously determine, after all of Sanfield’s rights under clause 13.6 have been exhausted, that the Competing Proposal constitutes a Superior Proposal; or



- (ii) due to a requirement or a request by the Court or a Government Agency that a Director abstains from making a recommendation.

8. CONDUCT OF BUSINESS BEFORE THE IMPLEMENTATION DATE

8.1. Conduct of Pelsart Business

Subject to clause 8.3, from the date of this deed up to and including the Implementation Date, Pelsart must, and must procure that each Pelsart Group Member:

- (a) carries on and operates the Business as a going concern, in the ordinary and normal course and in substantially the same manner as it was conducted in the 12 months before the date of this deed; and
- (b) use reasonable endeavours to preserve their relationships with material customers, suppliers, landlords and others having material business dealings with them, and to retain the services of all key employees.

8.2. Prohibited actions

Subject to clause 8.3, from the date of this deed up to and including the Implementation Date, Pelsart must not:

- (a) make an election to form a consolidated tax group, whether for direct or indirect taxes;
- (b) purchase, lease, acquire or dispose of any assets, the value of which exceeds \$100,000 in aggregate;
- (c) enter into, terminate, amend or vary any material lease or material agreement;
- (d) do anything that would have a material adverse effect on the goodwill of the Business, including the relationship of the Business with customers, suppliers, landlords and key employees;
- (e) increase, reduce or otherwise alter its share capital or issue any convertible securities or grant any options or performance rights for the issue of shares or other securities in Pelsart;
- (f) declare or pay a dividend or make any other distribution to shareholders;
- (g) change or agree to change the terms of employment, including salaries and benefits, of employees on a salary of more than \$100,000 per year or grant any



bonus, severance or retention benefit to any employee or officer other than in accordance with such employee's or officer's contractual entitlements;

- (h) incur additional borrowing, grant any loan or advance, or enter into any off balance sheet financing or assume, guarantee or endorse the obligations of any person;
- (i) enter into any new agreements, arrangements or understandings involving more than \$100,000 in aggregate;
- (j) increase salaries and benefits of employees which in aggregate amount to more than \$100,000 per year, other than in accordance with such employees' contractual or legal entitlements;
- (k) hire, or agree to hire, any employee, agent or contractor with a salary of \$100,000 or above, except in the ordinary course of business;
- (l) give or agree to give a financial benefit to a related party of Pelsart;
- (m) amend its constitution;
- (n) make any draw downs on any senior debt facility (or any other debt facility); or
- (o) authorise, commit or agree to take any of the steps or actions set out above.

8.3. Pelsart permitted activities

The obligations of Pelsart under clause 8.1 and clause 8.2 do not apply in respect of any matter that:

- (a) is required by any applicable law or Government Agency;
- (b) has been Fairly Disclosed in the Due Diligence Materials;
- (c) in the reasonable opinion of Pelsart, is required to respond, on a prudent basis, to an emergency or a disaster; or
- (d) otherwise contemplated in this deed or consented to in writing by Sanfield.

8.4. Access

- (a) From the date of this deed up to and including the Implementation Date, Pelsart must, subject to clause 8.4(b):
 - (i) provide Sanfield with all reasonable access during Business Hours (on reasonable notice by Sanfield of any request for meetings or access) to the management (including executive team), offices, books, records and business operations of Pelsart that Sanfield reasonably requires in order



to implement the Scheme or for Sanfield to prepare for the transition of ownership of the Business, provided that such access is at all times in the presence of a representative of Pelsart, if Pelsart so requires, and Sanfield complies with the reasonable requirements of Pelsart in relation to such access;

- (ii) keep Sanfield fully informed of all material developments relating to the Pelsart Group and provide to Sanfield weekly management, financial and operational reports (including those provided to the Pelsart Board); and
- (iii) share such information as is reasonably required to implement the Proposed Transaction, provided that Pelsart will not be required to provide access under clause 8.4(a) to the extent that to do so would, in the reasonable opinion of Pelsart:
 - (1) cause unreasonable disruption to the Business or the operations of the Pelsart Group;
 - (2) result in any member of Pelsart Group breaching an obligation of confidentiality to any person or any applicable law (including privacy laws) or requirement of any Government Agency; or
 - (3) be reasonably likely to result in a loss of legal professional privilege.
- (b) Nothing in clause 8.4(a):
 - (i) gives Sanfield any rights to undertake further due diligence investigations, or any rights as to the decision-making of any member of the Pelsart Group or the Business; or
 - (ii) obliges Pelsart to provide to Sanfield or its Representatives any information concerning its Directors' consideration of the Scheme or any Competing Proposal (other than as expressly provided in this deed).
- (c) Sanfield and Pelsart must use all reasonable endeavours to obtain any Third Party consents required in connection with, or as a result of, the Scheme.



9. ACTIONS ON AND FOLLOWING IMPLEMENTATION DATE

9.1. Reconstitution of the Board of each Member of the Pelsart Group

- (a) On the Implementation Date, but subject to the Scheme Consideration having been paid in by Sanfield in accordance with the Scheme and receipt by Pelsart of signed consents to act, Pelsart must take all actions necessary (and in accordance with the constitution of the Pelsart Group Member and the Corporations Act) to appoint the persons nominated by Sanfield (if any) as new Directors and new directors of each Pelsart Group Member.
- (b) Without limiting clause 9.1(a), on the Implementation Date, but subject to receipt by Pelsart of written notices of resignation to the effect that the outgoing Directors have no claim outstanding against any member of the Pelsart Group, Pelsart must procure that, immediately following the appointment of the Directors taking effect under clause 9.1(a) (if any):
 - (i) all outgoing Directors (if any) resign from the Pelsart Board; and
 - (ii) all outgoing directors of each Pelsart Group Member (if any) resign from their office of director.

9.2. Sequence of actions

The transactions that form part of the Scheme and the ancillary transactions contemplated by this deed will be implemented in the following sequence:

- (a) by no later than 5.00pm on the day that is two Business Days before the Implementation Date, Sanfield will provide the Scheme Consideration in accordance with the Scheme; and
- (b) on the Implementation Date:
 - (i) Pelsart will pay the Scheme Consideration to Scheme Participants in accordance with the Scheme;
 - (ii) the Pelsart Board and the board of each Pelsart Group Member will be reconstituted in accordance with clause 9.1; and
 - (iii) Sanfield will acquire all of the Scheme Shares in accordance with the Scheme.



10. REPRESENTATIONS AND WARRANTIES

10.1. Pelsart representations and warranties

Pelsart represents and warrants to Sanfield that:

- (a) it is validly existing under the laws of its place of incorporation or registration;
- (b) it has the power to enter into and perform its obligations under this deed and to carry out the transactions contemplated by this deed;
- (c) it has taken all necessary action to authorise its entry into and performance of this deed and to carry out the transactions contemplated by this deed;
- (d) no member of the Pelsart Group is the subject of an Insolvency Event, and an Insolvency Event will not occur to any Subsidiary of Pelsart prior to implementation of the Scheme;
- (e) Pelsart's obligations under this deed are valid and binding and enforceable against it in accordance with their terms;
- (f) the Due Diligence Material was provided or made available to Sanfield in good faith, and Pelsart is not aware of any material misleading or deceptive factual statement in any of the Due Diligence Material on the date they were provided or made available to Sanfield;
- (g) as at the date the Scheme Booklet is despatched to Scheme Participants, the Pelsart Information contained in the Scheme Booklet will comply in all material respects with the requirements of the Corporations Act, Corporations Regulations and RG 60; and
- (h) as at the date of this deed:
 - (i) the issued capital of Pelsart is 1,833,552,401 Pelsart Shares; and
 - (ii) no Pelsart Prescribed Occurrence has occurred.

10.2. Representations and warranties by Sanfield

Sanfield represents and warrants to Pelsart that:

- (a) it is validly existing under the laws of its place of incorporation or registration;
- (b) it has the power to enter into and perform its obligations under this deed and to carry out the transactions contemplated by this deed;



- (c) it has taken all necessary action to authorise its entry into and performance of this deed and to carry out the transactions contemplated by this deed;
- (d) its obligations under this deed are valid and binding and enforceable against it in accordance with their terms;
- (e) no member of Sanfield Group is the subject of an Insolvency Event, and an Insolvency Event will not occur to Sanfield prior to implementation of the Scheme; and
- (f) at least five Business Days prior to the Second Court Date, it will have binding agreements in place to fund its obligations to pay the Scheme Consideration in accordance with its obligations under this deed, the Scheme and the Deed Poll, conditional only on procedural items such as delivery of a draw request, mechanical conditions that can only be satisfied on implementation of the Scheme and conditions relating to progressing the Scheme such as requisite Scheme Participant approval, Court approval and lodging of the court order with ASIC.

10.3. Timing of representations and warranties

Each representation and warranty made or given under clause 10.1 and clause 10.2 is given:

- (a) at the date of this deed and at the Delivery Time; or
- (b) where expressed, at the time at which the representation or warranty is expressed to be given.

10.4. Survival of representations and warranties

Each representation and warranty in clause 10.1 and clause 10.2:

- (a) is severable;
- (b) will survive the termination of this deed; and
- (c) is given with the intent that liability under them will not be confined to breaches that are discovered prior to the date of termination of this deed.



11. CONFIDENTIALITY AND PUBLIC ANNOUNCEMENT

11.1. Disclosure of Pelsart Confidential Information

No Pelsart Confidential Information may be disclosed by Sanfield to any person except:

- (a) Representatives of Sanfield or its Related Bodies Corporate requiring the information for the purposes of this deed; or
- (b) with the consent of Pelsart which consent may be given or withheld in its absolute discretion; or
- (c) if Sanfield is required to do so by law; or
- (d) if Sanfield is required to do so in connection with legal proceedings relating to this deed.

11.2. Use of Pelsart Confidential Information

Sanfield must use the Pelsart Confidential Information exclusively for the purpose of preparing the Scheme Booklet and implementing the Scheme and for no other purpose (and must not make any use of any Pelsart Confidential Information to the competitive disadvantage of Pelsart or any of its Related Bodies Corporate).

11.3. Disclosure of Sanfield Confidential Information

No Sanfield Confidential Information may be disclosed by Pelsart to any person except:

- (a) Representatives of Pelsart or its Related Bodies Corporate requiring the information for the purposes of this deed; or
- (b) with the consent of Sanfield which consent may be given or withheld in its absolute discretion; or
- (c) if Pelsart is required to do so by law; or
- (d) if Pelsart is required to do so in connection with legal proceedings relating to this deed.



11.4. Use of Sanfield Confidential Information

Pelsart must use Sanfield Confidential Information exclusively for the purpose of preparing the Scheme Booklet and implementing the Scheme and for no other purpose (and must not make any use of any Sanfield Confidential Information to the competitive disadvantage of Sanfield or any of its Related Bodies Corporate).

11.5. Disclosure by recipient of Confidential Information

Any party disclosing information under clauses 11.1(a) or 11.1(b), or clauses 11.3(a) or 11.3(b), must use reasonable endeavours to ensure that persons receiving Confidential Information from it do not disclose the information except in the circumstances permitted in clause 11.1 or clause 11.3.

11.6. Excluded Information

Clauses 11.1, 11.2, 11.3, 11.4 and 11.5 do not apply to the Excluded Information.

11.7. Termination

This clause 11 will survive termination (for whatever reason) of this deed.

11.8. Public announcements on execution

Immediately after the execution of this deed, the parties must issue public announcements in a form previously agreed to in writing between them.

11.9. Further public announcements

Subject to clause 11.10, any further public announcements by Pelsart or Sanfield in relation to, or in connection with, the Scheme or any other transaction the subject of this deed, may only be made in a form approved by each party in writing (acting reasonably) subject to where a party is required by law to make any announcement or to make any disclosure in relation to, or in connection with, the Scheme or any other transaction the subject of this deed.

11.10. Required announcement

Where a party is required by applicable law to make any announcement or to make any disclosure in connection with the Scheme or any other transaction the subject of this deed, it may do so but must use reasonable endeavours, to the extent practicable and lawful, to consult with the other party before making the relevant disclosure and must give the other party as much notice as reasonably practical.



11.11. Statements on termination

The parties must use all reasonable endeavours to issue agreed statements in respect of any termination of this deed and, to that end, clause 11.9 and clause 11.10 apply to any such statements or disclosures.

12. TERMINATION

12.1. Termination by notice

- (a) Sanfield or Pelsart may terminate this deed at any time before the Delivery Time on the Second Court Date in accordance with clause 4.7(b).
- (b) Sanfield or Pelsart may, by notice in writing to the other party, terminate this deed at any time prior to the Delivery Time on the Second Court Date:
 - (i) if the other party is in material breach of a material obligation under this deed (including a breach of a representation or warranty), and, if capable of remedy, the other party has failed to remedy that breach within five Business Days (or 5.00 pm on the day before the date of the Second Court Date if earlier) of receipt by it of a notice in writing from the terminating party setting out details of the relevant circumstance and requesting the other party to remedy the breach;
 - (ii) if the Court refuses to make any order directing Pelsart to convene the Scheme Meeting, provided that both Pelsart and Sanfield have met and consulted and agreed that they do not wish to proceed with the Scheme; or
 - (iii) if the Effective Date for the Scheme has not occurred on or before the End Date.
- (c) Pelsart may, by notice in writing to Sanfield, terminate this deed at any time prior to the Delivery Time on the Second Court Date if, at any time before then, all or a majority of the Directors change, withdraw or modify their recommendations of the Scheme in the manner described in clause 7.3.
- (d) Sanfield may, by notice in writing to Pelsart, terminate this deed at any time prior to the Delivery Time on the Second Court Date if, at any time before then any Director:
 - (i) fails to recommend the Scheme in accordance with clause 7.1 and clause 7.2; or



- (ii) publicly changes, withdraws or modifies their recommendation of the Proposed Transaction or makes any public statement, or takes any other action that is inconsistent with their recommendation of the Scheme (including where a Competing Proposal is announced and is recommended by any Director).

12.2. Automatic termination

Without limiting any other term of this deed, subject to clause 4.6, this deed will terminate automatically if the Scheme is not approved by the necessary majorities at the Scheme Meeting.

12.3. Effect of termination

- (a) In the event of termination of this deed under clause 4.7, clause 12.1 or clause 12.2, this deed will become void and have no effect, except that the provisions of clause 11, clause 12 and clause 17 (excluding clause 17.2) survive termination.
- (b) Termination of this deed does not affect any accrued rights of a party in respect of a breach of this deed prior to termination.

13. EXCLUSIVITY

13.1. No existing discussions

Other than in relation to the discussions with Sanfield in connection with the Proposed Transaction and this deed, Pelsart represents and warrants to Sanfield that, as at the date of this deed:

- (a) neither itself nor any of its Representatives is a party to any agreement with a third party entered into for the purpose of facilitating a Competing Proposal; and
- (b) neither itself nor any of its Representatives is participating in any discussions or negotiations with a third party that concern, or that could reasonably be expected to lead to, a Competing Proposal or to Pelsart not proceeding with the Proposed Transaction.

13.2. No-shop

During the Exclusivity Period, Pelsart must not, and must ensure that its Representatives do not, directly or indirectly solicit, invite, initiate or encourage any Competing Proposal or any enquiries, proposals, discussions or negotiations with any



third party in relation to (or that could reasonably be expected to lead to) a Competing Proposal or to Pelsart not proceeding with the Proposed Transaction, or communicate any intention to do any of these things.

13.3. No-talk

Subject to clause 13.7, during the Exclusivity Period, Pelsart must not, and must ensure that its Representatives do not, directly or indirectly:

- (a) negotiate or enter into or participate in negotiations or discussions with any person; or
- (b) communicate any intention to do any of these things,

in relation to (or that may reasonably be expected to lead to) a Competing Proposal, even if that person's Competing Proposal was not directly or indirectly solicited, encouraged or initiated by Pelsart or any of its Representatives, or that person has publicly announced the Competing Proposal.

13.4. No due diligence

During the Exclusivity Period, except with the prior written consent of Sanfield, Pelsart must not, and must ensure that its Representatives do not, directly or indirectly:

- (a) solicit, invite, initiate or encourage, or (subject to clause 13.7) facilitate or permit, any person (other than Sanfield) to undertake due diligence investigations in respect of Pelsart, its Related Bodies Corporate or any of their businesses and operations, in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal; or
- (b) subject to clause 13.7, make available to any person (other than Sanfield) or permit any such person to receive any non-public information relating to Pelsart, its Related Bodies Corporate, or any of their businesses and operations, in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal.

13.5. Notification of approaches

- (a) During the Exclusivity Period, Pelsart must promptly (and in any event within two Business Days) notify Sanfield in writing if Pelsart or any of its Representatives receives any approach, inquiry or proposal made by any person to, to initiate any discussions or negotiations that could reasonably be expected to lead to, a Competing Proposal.



- (b) A notice given under clause 13.5(a) must be accompanied by all material details of the relevant event and Competing Proposal, including (as the case may be):
 - (i) subject to clause 13.7, the identity of the person who made the relevant approach, inquiry or proposal to initiate discussions or negotiations referred to in clause 13.5(a), or if permitted under clause 13.7 to withhold any identifying details, a general description of the nature of the party proposing the Competing Proposal; and
 - (ii) the material terms and conditions (including price, conditions precedent, timetable and break free (if any)) of any Competing Proposal or any proposed Competing Proposal (to the extent known).
- (c) During the Exclusivity Period, Pelsart must promptly provide to Sanfield:
 - (i) in the case of written materials, a copy of; or
 - (ii) in any other case, a written statement of,

any material non-public information relating to Pelsart, its Related Bodies Corporate, or any of their businesses and operations made available or received by any person in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal and which has not previously been provided to Sanfield.

13.6. Pelsart's response to rival acquirer and Sanfield's right to respond

- (a) If Pelsart is permitted under clause 13.7 to engage in activity that would otherwise breach any of clause 13.3, clause 13.4 or clause 13.5, Pelsart must enter into a confidentiality agreement with the person who has made the applicable Competing Proposal (**Rival Acquirer**) on customary terms.
- (b) Pelsart must procure that no Director publicly changes, withdraws or adversely modifies their recommendation in favour of the Scheme to publicly recommend a Competing Proposal, and must not enter into any agreement to implement a Competing Proposal, unless:
 - (i) the Directors have determined, acting in good faith and after consultation with Pelsart's financial adviser, that the Competing Proposal is, or is reasonably likely to be, a Superior Proposal;
 - (ii) Pelsart has provided written notice to Sanfield of the material terms of the Competing Proposal (including the identity of the person making the Competing Proposal); and



- (iii) within five Business Days of receiving notice from Pelsart under clause 13.6(b)(ii), Sanfield does not make an offer in writing to Pelsart in respect of an amendment to the Scheme Consideration or other terms of the Scheme, or proposing any other form of transaction (**Sanfield Counterproposal**) that the Directors determine, acting in good faith and after consultation with Pelsart's financial adviser, would result in an outcome for Scheme Participants that is at least as favourable as under the Competing Proposal.
- (c) Pelsart agrees that each material modification of any Competing Proposal will constitute a new Competing Proposal for the purposes of the requirements under this clause 13.6 and Pelsart must comply with clause 13.6 in respect of any new Competing Proposal.

13.7. Fiduciary exception

The restrictions in clause 13.3 and clause 13.4, and the obligations in clause 13.5(a) and clause 13.5(b)(i) do not apply to the extent they restrict Pelsart or any Director from taking or not taking any action with respect to a Competing Proposal (in relation to which there has been no contravention of clause 13.1 or clause 13.2) provided that:

- (a) the Competing Proposal is bona fide and is made by or on behalf of a person that the Directors reasonably consider is of sufficient commercial standing to implement the Competing Proposal; and
- (b) the Directors have determined in good faith after:
 - (i) consultation with Pelsart's financial advisers that the Competing Proposal is or may reasonably be expected to lead to a Superior Proposal; and
 - (ii) receiving advice from Pelsart's external legal counsel practising in the area of corporate law,

that taking the action or refusing to take the action (as the case may be) with respect to the Competing Proposal would be likely to constitute a breach of the fiduciary or statutory obligations of the Directors.

14. RELEASES

14.1. Pelsart Parties

- (a) Subject to clause 14.1(b), Sanfield (for itself and as agent of every member of Sanfield Group) releases all rights against, and agrees with Pelsart that it will



not make a Claim against, any Pelsart Party (other than Pelsart) in connection with:

- (i) Pelsart's execution or delivery of this deed;
- (ii) any breach of any representation, covenant and warranty of Pelsart in this deed;
- (iii) the implementation of the Scheme; or
- (iv) any disclosure made by any Pelsart Party including in the Due Diligence Material that contains any statement that is false or misleading whether in content or by omission,

except to the extent the relevant Pelsart Party has not acted in good faith or has engaged in wilful misconduct or to the extent the Claim is actually covered under an insurance policy that is paid for by the Pelsart Group where the relevant insurer accepts liability for the Claim.

- (b) This clause is subject to any Corporations Act restriction and will (if and to the extent required) be read down accordingly.
- (c) Pelsart receives and holds the benefit of this clause 14.1 as trustee for each other Pelsart Party.

14.2. Sanfield Parties

- (a) Subject to clause 14.2(b), Pelsart releases its rights against, and agrees with Sanfield that it will not make a Claim against, any Sanfield Party (other than Sanfield) in connection with:
 - (i) Sanfield's execution or delivery of this deed;
 - (ii) any breach by Sanfield of any representation, covenant and warranty in this deed;
 - (iii) the implementation of the Scheme; or
 - (iv) any disclosure made by any Sanfield Party that contains any statement that is false or misleading whether in content or by omission,

except to the extent that the relevant Sanfield Party has not acted in good faith or has engaged in wilful misconduct.

- (b) This clause is subject to any Corporations Act restriction and will (if and to the extent required) be read down accordingly.



- (c) Sanfield receives and holds the benefit of this clause 14.2 as trustee for each other Sanfield Party.

15. DIRECTORS' AND OFFICERS' INSURANCE

- (a) Pelsart must:
- (i) prior to the Effective Date, arrange for the cover currently provided under its directors' and officers' insurance policy (**Policy**) to be extended for a further period of 12 months; and
 - (ii) by no later than the Implementation Date, to the extent practicable at normal commercial rates, arrange for the cover provided under the Policy to be amended so as to provide run off cover in accordance with the terms of the Policy for a seven-year period from the end of the term of the Policy, and pay all premiums required so as to ensure that insurance cover is provided under the Policy on those terms until that date.
- (b) From the Implementation Date, Sanfield must ensure that Pelsart does not:
- (i) vary or cancel the Policy; or
 - (ii) unless required under the Policy, commit any act or omission that may prejudice any claim by a Director or officer of Pelsart under the Policy as extended under clause 15(a).

16. NOTICES

Any communication under or in connection with this deed:

- (a) must be in writing;
- (b) must be addressed as set below (or as otherwise notified by that party to the other party from time to time):

Pelsart

Address: Ground Floor, 849 Wellington Street, West Perth, WA 6005

Email: info@greenwichco.com

For the attention of: Steven James Roberts



Sanfield

Address: Unit 2306, 9 Queen's Road Central, Hong Kong

Email: awtleung@biznetvigator.com

For the attention of: Leung Wing Tak

- (c) must be signed or sent by the party making the communication or by a person duly authorised by that party;
- (d) must be delivered to the address, or sent by email to the email address, of the addressee, in accordance with clause 16(b); and
- (e) will be deemed to be received by the addressee:
 - (i) (in the case of email) four hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered; or unless that local time of the recipient is not a Business Day, or is after 5.00 pm on a Business Day, when that communication will be deemed to be received at 9.00 am on the next Business Day; and
 - (ii) (in the case of postal or hand delivery) on delivery at the address of the addressee as provided in clause 16(b), unless that delivery is not made on a Business Day, or after 5.00 pm on a Business Day, when that communication will be deemed to be received at 9.00 am on the next Business Day.

17. GENERAL

17.1. Governing law

- (a) This deed is governed by and will be construed according to the laws of Western Australia.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Western Australia and of the courts competent to determine appeals from those courts.

17.2. Further acts

Each party will promptly do and perform all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by any other party to give effect to this deed.



17.3. Timetable

The parties agree that the Timetable is indicative only and is not binding on the parties.

17.4. Payments

Unless otherwise expressly provided in this deed, where an amount is required to be paid to a party (the **Receiving Party**) by another party under this deed, that amount will be paid:

- (a) in immediately available and irrevocable funds by electronic transfer to a bank account or accounts notified by the Receiving Party in writing on or before the due date for payment, or in other such immediately payable funds as the parties may agree; and
- (b) without deduction, withholding or set-off.

17.5. GST

- (a) Words used in this clause 17.5 that have a defined meaning in the GST Law have the same meaning as in the GST Law unless the context indicates otherwise.
- (b) Unless expressly included, the consideration for any supply under or in connection with this deed does not include GST.
- (c) To the extent that any supply made by a party (**Supplier**) to another party (**Recipient**) under or in connection with this deed is a taxable supply, the Recipient must pay to the Supplier, in addition to the consideration to be provided under this deed but for the application of this clause 17.5(c) for that supply (**GST Exclusive Consideration**), an amount equal to the amount of the GST Exclusive Consideration (or its GST exclusive market value) multiplied by the rate at which GST is imposed in respect of the supply.
- (d) This clause does not apply to any taxable supply under or in connection with this deed that is expressly stated to include GST.
- (e) The amount on account of GST payable in accordance with this clause 17.5 will be paid in the same manner and at the same time as the consideration otherwise payable for the supply is provided subject to the Recipient receiving a tax invoice.
- (f) Any reference in the calculation of any consideration or of any indemnity, reimbursement or similar amount to a cost, expense or liability incurred by a person (**Relevant Expense**) is a reference to the relevant expense reduced by an amount equal to any input tax credit entitlement of that person (or of the



representative member of any GST group to which the person belongs) in relation to the Relevant Expense. A party will be assumed to have an entitlement to a full input tax credit unless it demonstrates otherwise prior to the date on which the relevant payment or consideration must be provided.

17.6. Stamp duty

Sanfield must pay all Stamp Duty (if any) and any fines and penalties with respect to Stamp Duty under or in relation to this deed or the Scheme, or in relation to the steps to be taken under this deed (including, the acquisition or transfer of Scheme Shares pursuant to the Scheme).

17.7. Expenses

Except as otherwise provided in this deed, each party will pay its own costs and expenses in connection with the negotiation, preparation, execution and performance of this deed and the Scheme Booklet, and the proposed, attempted or actual implementation of this deed and the Scheme.

17.8. Assignment

A party cannot assign, novate or otherwise transfer any of its rights or obligations under this deed without the prior written consent of each other party, which consent that other party may give or withhold in its absolute discretion.

17.9. Waiver

- (a) Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this deed by any party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other right, power or remedy provided by law or under this deed.
- (b) Any waiver or consent given by any party under this deed will only be effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of any term of this deed will operate as a waiver of another breach of that term or of a breach of any other term of this deed.
- (d) Nothing in this deed obliges a party to exercise a right to waive any conditional term of this deed that may be in its power.

17.10. Amendments

This deed may only be varied by a deed signed by or on behalf of each of the parties.



17.11. Counterparts

- (a) This deed may be executed in any number of counterparts and by the parties on separate counterparts. Each counterpart constitutes the agreement of each party who has executed and delivered that counterpart. Each counterpart is an original but the counterparts together are one and the same agreement.
- (b) This deed is binding on the parties on the exchange of duly executed counterparts.

17.12. Entire agreement

This deed:

- (a) embodies the entire understanding of the parties and constitutes the entire terms agreed on between the parties; and
- (b) supersedes any prior agreement (whether or not in writing) between the parties.

17.13. No representation or reliance

Each party acknowledges that no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this deed, except for representations or inducements expressly set out in this deed.

17.14. No merger

The rights and obligations of the parties will not merge on completion of any transaction under this deed. They will survive the execution and delivery of any assignment or other document entered into for the purpose of implementing any transaction.



Schedule 1 – Glossary

The following definitions apply in this deed, unless the context requires otherwise:

ASIC	the Australian Securities and Investments Commission.
Associate	that term as defined in section 12 of the Corporations Act.
Business	the business of exploring for gold and other minerals from exploration activities in Kalimantan, Indonesia.
Business Day	a day that is not a Saturday, Sunday or public holiday or bank holiday in Perth, Western Australia.
Claim	in relation to a person, a demand, claim, action or proceeding made or brought by or against the person, however arising and whether present, unascertained, immediate, future or contingent.
Competing Proposal	<p>any proposal, offer, agreement or transaction, which if entered into or completed, would result in a Third Party (alone or with an Associate):</p> <ul style="list-style-type: none">(a) acquiring a relevant interest, voting power, economic interest or derivative transaction in 5% or more of the Pelsart Shares or of the securities of any of member of the Pelsart Group;(b) directly or indirectly acquiring or obtaining an interest (including an economic interest) in all or a substantial part or material part of the Business or assets or property of, Pelsart or any member of the Pelsart Group;(c) acquiring Control of Pelsart or any member of the Pelsart Group; or(d) acquiring, or merging with, Pelsart or any member of the Pelsart Group (including by way of takeover bid, scheme of arrangement, capital reduction, buy-back, sale of assets, sale of securities, strategic alliance, dual listed company structure, joint venture or partnership), <p>or any proposal by Pelsart to implement any reorganisation of capital or any proposal, offer or transaction that is similar in structure to, or that would be reasonably regarded as being an alternative proposal to, the Proposed Transaction, or any proposal that would otherwise result in the Proposed Transaction not being able to be implemented on the basis set out in this deed.</p>
Conditions	the conditions set out in clause 4.1 and Condition means any one of them.



Control	that term as defined in section 50AA of the Corporations Act.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Corporations Regulations	the <i>Corporations Regulations 2001</i> (Cth).
Court	the Supreme Court of Western Australia or such other court of competent jurisdiction as agreed in writing by the parties.
Deed Poll	the deed poll to be executed by Sanfield prior to the First Court Date, in the form set out in Annexure A or in such other form as is agreed in writing between the parties.
Delivery Time	in relation to the Second Court Date, not later than two hours before the commencement of the hearing or if the commencement of the hearing is adjourned, the commencement of the adjourned hearing, of the Court to approve the Scheme in accordance with section 411(4)(b) of the Corporations Act.
Director	a director of Pelsart.
Due Diligence Material	the written information, documents and responses disclosed or made available to Sanfield or its Representatives by or on behalf of Pelsart on or before 10:00am on 13 March 2024 in the Pelsart Resources NL data room (an index of which has been initialled for identification by Pelsart’s solicitors on behalf of Pelsart and by Sanfield’s solicitors on behalf of Sanfield).
Effective	when used in relation to the Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to that Scheme.
Effective Date	with respect to the Scheme, the date on which the Scheme becomes Effective.
End Date	the later of: (a) 31 October 2024; and (b) such other date and time agreed in writing between Pelsart and Sanfield.
Excluded Information	any of the following: (a) information that is in the public domain or becomes generally known to the public other than through a breach by the recipient of a duty to keep such information confidential or a breach of any other obligation of confidence owed to the party providing the Confidential Information of which the recipient of the Confidential Information is aware;



-
- (b) information that was already known to the recipient at the time of disclosure (unless such knowledge arose from disclosure of information in breach of this deed or a breach of any other obligation of confidence owed to the party providing the Confidential Information of which the recipient of the Confidential Information is aware);
 - (c) information developed by the recipient independently of the disclosure of Confidential Information without use of or reference to the Confidential Information; or
 - (d) information obtained from a source other than the party providing the Confidential Information where the recipient receives the Confidential Information in good faith and such source is entitled to disclose it.
-

Excluded Shareholder

means:

- (a) Sanfield; and
 - (b) any of its Related Bodies Corporate.
-

Exclusivity Period

the period commencing on the date of this deed and ending on the earliest of:

- (a) the End Date;
 - (b) the Effective Date of the Scheme; and
 - (c) the date this deed is terminated in accordance with its terms.
-

Fairly Disclosed

disclosed in writing to a member of Sanfield Group or their respective Representatives in sufficient detail and with sufficient specificity so as to enable a reasonable and sophisticated recipient of the relevant information who is experienced in merger and acquisition transactions involving businesses of the same or similar nature to the businesses conducted by the Pelsart Group to identify and understand the nature and scope of the relevant matter, event or circumstance.

First Court Date

the date the Court first hears the application to order the convening of the Scheme Meeting under section 411(1) of the Corporations Act or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.

Government Agency

any foreign or Australian Government or governmental, semi- governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any state, and any other federal, state, provincial or local government, whether foreign or Australian.

GST

goods and services tax in terms of the GST Act.

GST Act

A New Tax System (Goods and Services Tax) Act 1999 (Cth).



GST Law	the meaning given to that term in the GST Act.
Headcount Test	the requirement under section 411(4)(a)(ii)(A) of the Corporations Act that the resolution to approve the Scheme at the Scheme Meeting is passed by a majority in number of Scheme Participants present and voting, either in person or by proxy.
Implementation Date	the fifth Business Day after the Record Date or such other date after the Record Date agreed to in writing between the parties.
Independent Expert	the independent expert in respect of the Scheme appointed by Pelsart.
Independent Expert Report	a report (including any updates to such report) of the Independent Expert stating whether or not in its opinion the Scheme is in the best interest of Scheme Participants.
Insolvency Event	<p>in relation to an entity:</p> <ul style="list-style-type: none">(a) the entity resolving or applying to court for an order that it be wound up or a court making an order for the winding up or dissolution of the entity;(b) a liquidator, provisional liquidator, administrator, receiver, receiver and manager, trustee or other insolvency official being appointed to the entity or in relation to the whole, or a substantial part, of its assets;(c) the entity executing a deed of company arrangement or other compromise or arrangement with its creditors or any class of them;(d) the entity ceases, or threatens to cease to, carry on substantially all the business conducted by it as at the date of this deed;(e) the entity is or becomes unable to pay its debts when they fall due within the meaning of the Corporations Act (or, if appropriate, legislation of its place of incorporation);(f) the entity being deregistered as a company or otherwise dissolved; or(g) something having a substantially similar effect to any of the things described in paragraphs (a) to (f) happens in connection with the entity under the law of Australia or any foreign jurisdiction.
Original Deed	the Scheme Implementation Deed between the parties dated on or about 15 March 2024.
Pelsart Board	the board of directors of Pelsart as constituted from time to time (or any committee of the board of directors of Pelsart constituted from time to time to consider the Proposed Transaction on behalf of Pelsart).



Pelsart Confidential Information	all confidential, non-public or proprietary information regardless of how the information is stored or delivered, exchanged between the parties before, on or after the date of this deed relating to the business, technology or other affairs of the Pelsart Group.
Pelsart Group	Pelsart and each of its Related Bodies Corporate. A reference to a member of the Pelsart Group or a Pelsart Group Member is a reference to Pelsart or any Related Body Corporate.
Pelsart Information	information to be included by Pelsart in the Scheme Booklet that explains the effect of the Scheme and sets out the information prescribed by the Corporations Act and the Corporations Regulations, and any other information that is material to the making of a decision by Scheme Participants as to whether or not to vote in favour of the Scheme, being information that is within the knowledge of Directors and has not previously been disclosed to Pelsart Shareholders, but does not include Sanfield Information and the Independent Expert Report.
Pelsart Parties	each member of the Pelsart Group and their Related Bodies Corporate and Representatives.
Pelsart Prescribed Occurrence	<p>the occurrence of any of the following on or after the date of this deed:</p> <ul style="list-style-type: none">(a) Pelsart converts all or any of its shares into a larger or smaller number of shares;(b) any member of the Pelsart Group resolves to reduce its share capital in any way;(c) any member of the Pelsart Group:<ul style="list-style-type: none">(i) enters into a buy-back agreement; or(ii) resolves to approve the terms of a buy-back agreement under section 257C(1) or section 257D(1) of the Corporations Act;(d) any member of the Pelsart Group issues, or agrees to issue, convertible notes or any other security or instrument that is convertible into shares;(e) any member of the Pelsart Group issues shares, convertible securities or grants a performance right or an option over its shares, or agrees to make such an issue or grant such a performance right or an option other than pursuant to the exercise of an option or performance right before the Record Date where that option or performance right was on issue immediately before the date of this deed;(f) any member of the Pelsart Group disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;(g) any member of the Pelsart Group creates or agrees to create, any mortgage, charge, lien or other encumbrance over the whole, or a



	substantial part, of its business or property other than a lien which arises by operation of law or legislation securing an obligation that is not yet due;
	(h) any member of the Pelsart Group resolves to be wound up;
	(i) a court makes an order for the winding up of any member of the Pelsart Group;
	(j) a liquidator or provisional liquidator of any member of the Pelsart Group is appointed;
	(k) an administrator of any member of the Pelsart Group is appointed under section 436A, section 436B or section 436C of the Corporations Act;
	(l) any member of the Pelsart Group executes a deed of company arrangement;
	(m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of any member of the Pelsart Group; or
	(n) Pelsart declares or pays a dividend,
	provided that a Pelsart Prescribed Occurrence will not include any matter:
	(o) required to be done or procured by Pelsart pursuant to this deed or which is otherwise contemplated by this deed or the Scheme;
	(p) Fairly Disclosed in filings of Pelsart with ASIC prior to the date of this deed;
	(q) to the extent it is Fairly Disclosed in the Due Diligence Materials; or
	(r) the undertaking of which Sanfield has consented to in writing.
Pelsart Share	an issued fully paid ordinary share in the capital of Pelsart.
Pelsart Shareholder	each person who is registered in the register maintained by Pelsart under section 168(1) of the Corporations Act as a holder of one or more Pelsart Shares.
Pelsart Warranties	the representations and warranties of Pelsart set out in clause 10.1.
Proposed Transaction:	(a) the proposed acquisition by Sanfield of all of the Scheme Shares through the implementation of the Scheme, in accordance with the terms and conditions of this deed; and (b) all associated transactions and steps contemplated by this deed.
Record Date	5:00 pm on the fifth Business Day after the Effective Date or such other time and date agreed to in writing between the parties.



Regulatory Authority	includes: <ul style="list-style-type: none">(a) ASIC;(b) the Takeovers Panel;(c) a government or governmental, semi-governmental or judicial entity or authority;(d) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and(e) any regulatory organisation established under statute.
Related Body Corporate	of a person, a related body corporate of that person under section 50 of the Corporations Act and includes any body corporate that would be a related body corporate if section 48(2) of the Corporations Act was omitted.
Representatives	in respect of a party, an employee, agent, officer, director, adviser or financier of or to that party (or of a Related Body Corporate of that party), and, in the case of advisers and financiers, includes employees, officers and agents of the adviser or financier (as applicable) but excluding the Independent Expert.
RG 60	ASIC Regulatory Guide 60: Schemes of arrangement (RG 60).
Sanfield Confidential Information	all confidential, non-public or proprietary information regardless of how the information is stored or delivered, exchanged between the parties before, on or after the date of this deed relating to the business, technology or other affairs of Sanfield Group.
Sanfield Counterproposal	that term as defined in clause 13.6(b)(iii).
Sanfield Group	Sanfield and each of its Related Bodies Corporate (excluding, at any time, Pelsart and its Subsidiaries to the extent that Pelsart and its Subsidiaries are Subsidiaries of Sanfield at that time). A reference to a member of Sanfield Group or a Sanfield Group Member is a reference to Sanfield or any such Related Body Corporate.
Sanfield Information	such information regarding Sanfield Group that is provided or approved by Sanfield or any of their advisors to Pelsart or the Independent Expert: <ul style="list-style-type: none">(a) to enable the Scheme Booklet to be prepared and completed in compliance with all applicable laws; and(b) otherwise in compliance with Sanfield's obligations under clause 6.2(a).
Sanfield Parties	the members of Sanfield Group and their respective Representatives.
Sanfield Warranties	the representations and warranties of Sanfield set out in clause 10.2.



Scheme	the proposed scheme of arrangement pursuant to Part 5.1 of the Corporations Act between Pelsart and Scheme Participants in respect of all Scheme Shares, substantially in the form set out in Annexure B or in such other form as the parties agree in writing, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by each party.
Scheme Booklet	<p>the scheme booklet to be prepared by Pelsart in respect of the Scheme in accordance with the terms of this deed and to be dispatched to Scheme Participants and that must include or be accompanied by:</p> <ul style="list-style-type: none">(a) a copy of the Scheme;(b) an explanatory statement complying with the requirements of the Corporations Act, the Corporations Regulations and RG 60;(c) the Independent Expert Report;(d) a copy or a summary of this deed;(e) a copy or summary of the executed Deed Poll;(f) a notice of meeting; and(g) a proxy form.
Scheme Consideration	in respect of each Scheme Share \$0.035 cash.
Scheme Meeting	the meeting of Scheme Participants ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting convened following any adjournment or postponement of that meeting.
Scheme Participant	a Pelsart Shareholder as at the Record Date, other than an Excluded Shareholder.
Scheme Share	a Pelsart Share on issue as at the Record Date, other than a Pelsart Share held by an Excluded Shareholder.
Second Court Date	the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme is heard or scheduled to be heard or, if the application is adjourned for any reason, means the date on which the adjourned application is heard or scheduled to be heard.
Share Splitting	the splitting by a holder of Pelsart Shares into two or more parcels of Pelsart Shares whether or not it results in any change in beneficial ownership of the Pelsart Shares.



Stamp Duty means any stamp duty, transfer duty, landholder duty, transaction duty, loan duty, mortgage duty, instrument duty or other duty of a like kind, whether under the *Duties Act 2008* (WA) or equivalent legislation.

Subsidiary the meaning given to that term in section 46 of the Corporations Act.

Superior Proposal a bona fide Competing Proposal that the Pelsart Board determines, acting in good faith and to satisfy what the Pelsart Board reasonably considers to be its fiduciary or statutory duties and after taking written advice from its legal counsel and financial adviser:

- (a) is reasonably capable of being completed substantially in accordance with its terms; and
- (b) would, if completed substantially in accordance with its terms, be likely to result in a transaction more favourable to Scheme Participants than the Proposed Transaction (as modified by any Sanfield Counterproposal), having regard to all relevant matters, including consideration, conditionality, funding, certainty and timing.

Third Party any person or entity other than a member of Sanfield Group or a member of the Pelsart Group.

Timetable the indicative timetable in relation to the Proposed Transaction set out in Schedule 2 with such modifications as may be agreed in writing by the parties.



Schedule 2 – Indicative Timetable

Date	Event	Day	Comment
15 March 2024	Pelsart announces proposed scheme	0	Announcement must occur immediately after signing of scheme implementation deed
6 June 2024	Draft scheme booklet given to ASIC for review	83	Allow 6 weeks to prepare the draft scheme booklet including Independent Expert Report
7 June 2024	File application for first court hearing	84	
20 June 2024	ASIC completes review	97	ASIC usually requires at least 14 to review
21 June 2024	First court hearing	98	Court must approve despatch of scheme booklet and order the convening of scheme meeting
27 June 2024	Despatch of scheme booklet to Scheme Participants	104	
19 July 2024	Scheme meeting of Scheme Participants	126	Minimum 21 day notice period
25 July 2024	Second court hearing	132	Court approval of scheme is required
26 July 2024	Scheme effective date	133	Scheme is effective upon ASIC lodgement of court orders
2 August 2024	Scheme record date	140	Usually up to 3-5 business days after effective date
9 August 2024	Scheme implementation date	147	Usually up to 3-5 business days after record date

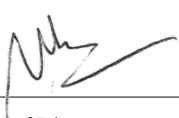


Signing Page

Executed by the parties as a deed

Pelsart

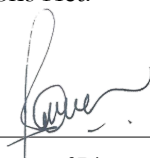
EXECUTED AS A DEED by **Pelsart Resources N.L. (ACN 009 449 101)** in accordance with section 127 of the Corporations Act:



Signature of Director

JAMES KOK CHOON CHAN

Full name of Director (please print)




Signature of Director/Secretary

RICHARD TENG BENG TAN

Full name of Director/Secretary (please print)

Sanfield

EXECUTED AS A DEED by **Sanfield Holdings Limited** by the officer or officers named below who has or have authority to do so and to bind the said entity in accordance with its constitutional documents and the laws applying in the place of its incorporation:




Signature of Officer

SEAN GUSTAV STANDISH
HUGHES

Full name of Officer (please print)

DIRECTOR

Capacity



Signature of Officer

ENK EE TAN

Full name of Officer (please print)

DIRECTOR

Capacity



Signing Page

Executed by the parties as a deed

Pelsart

EXECUTED AS A DEED by **Pelsart Resources N.L. (ACN 009 449 101)** in accordance with section 127 of the Corporations Act:

←	←
_____ Signature of Director	_____ Signature of Director/Secretary
JAMES KOK CHOON CHAN _____ Full name of Director (please print)	RICHARD TENG BENG TAN _____ Full name of Director/Secretary (please print)

Sanfield

EXECUTED AS A DEED by **Sanfield Holdings Limited** by the officer or officers named below who has or have authority to do so and to bind the said entity in accordance with its constitutional documents and the laws applying in the place of its incorporation:

←	←
_____ Signature of Officer	_____ Signature of Officer
SEAN GUSTAV STANDISH HUGHES _____ Full name of Officer (please print)	ENK EE TAN _____ Full name of Officer (please print)
DIRECTOR _____ Capacity	DIRECTOR _____ Capacity

Annexure B – Deed Poll

DEED POLL

Pelsart Resources N.L. (ACN 009 449 101)

Sanfield Holdings Limited

Sanfield



Whadjuk Noongar Boodja
Level 26, 140 St Georges Terrace
Perth WA 6000

PO Box 8098
Cloisters Square
Perth WA 6850

Ref: 2312562

Contact: Will Moncrieff
will.moncrieff@blackwall.legal
+61 8 6169 2517

www.blackwall.legal



Deed Poll

Entered into on 5 June 2024.

Deed poll by:

Sanfield	Sanfield Holdings Limited a company incorporated on 27 October 1998 and registered in Hong Kong with business registration number 22103163, of Unit 2306, 9 Queen's Road Central, Hong Kong.
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In favour of:

Scheme Participants	each person who is a Pelsart Shareholder as at the Record Date, other than an Excluded Shareholder.
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Background

- A. The directors of Pelsart have resolved that Pelsart should propose the Scheme.
- B. The effect of the Scheme will be that all Scheme Shares will be transferred to Sanfield.
- C. Pelsart and Sanfield have entered into the Scheme Implementation Deed.
- D. In the Scheme Implementation Deed, Sanfield agreed (amongst other things) to provide or to procure the provision of the Scheme Consideration to the Scheme Participants, subject to the satisfaction of certain conditions.
- E. Sanfield is entering into this deed poll for the purpose of covenanting in favour of Scheme Participants to perform the obligations attributed to it under the Scheme.

Operative Terms

This deed poll now provides:



1. DEFINITIONS AND INTERPRETATION

1.1. Definitions

- (a) Capitalised terms are defined in the Glossary located at Schedule 1.
- (b) All other words and phrases used in this deed poll have the same meaning as given to them in the Scheme.

1.2. General interpretation

Clauses 1.2 and 1.3 of the Scheme apply to this deed poll.

1.3. Nature of deed poll

Sanfield acknowledges that:

- (a) this deed poll may be relied on and enforced by any Scheme Participant in accordance with its terms even though the Scheme Participants are not a party to it; and
- (b) under the Scheme, each Scheme Participant irrevocably appoints Pelsart as its agent and attorney to enforce this deed poll against Sanfield (as applicable).

2. CONDITION PRECEDENT AND TERMINATION

2.1. Condition precedent

The obligations of Sanfield under this deed poll are subject to the Scheme becoming Effective.

2.2. Termination

The obligations of Sanfield under this deed poll will automatically terminate and this deed poll will be of no further force or effect:

- (a) if the Scheme has not become Effective on or before the End Date or any later date as the Court, with the consent of Sanfield and Pelsart, may order; or
- (b) if the Scheme Implementation Deed is terminated in accordance with its terms.



2.3. Consequences of termination

If this deed poll is terminated under clause 2.2, then, in addition and without prejudice to any other rights, powers or remedies available to Scheme Participants:

- (a) Sanfield is released from its obligations to further perform this deed poll insofar as it relates to the Scheme, except those obligations contained in clause 7; and
- (b) each Scheme Participant retains the rights, powers or remedies they have against Sanfield in respect of any breach of this deed poll which occurs before it is terminated.

3. PERFORMANCE OF OBLIGATIONS GENERALLY

- (a) Sanfield covenants in favour of Scheme Participants to comply with the obligations attributed to it under the Scheme Implementation Deed and do all acts necessary or desirable on its part to give full effect to the Scheme.
- (b) Subject to the satisfaction of the condition precedent in clause 2.1, Sanfield covenants in favour of each Scheme Participant to perform the actions attributed to it under the Scheme as if Sanfield were a party to the Scheme.

4. CONSIDERATION

4.1. Scheme Consideration

Subject to clause 2, Sanfield undertakes in favour of each Scheme Participant to pay or procure the payment of the Scheme Consideration to each Scheme Participant in accordance with the Scheme.

4.2. Manner of payment

The obligations of Sanfield under clause 4.1 will be satisfied if Sanfield deposits or procures the deposit, no later than 5.00pm on the day that is two Business Days before the Implementation Date, in Immediately Available Funds, the aggregate amount of the Scheme Consideration payable to the Scheme Participants (less any amount withheld in accordance with clause 6.5 or 6.6 of the Scheme) into the Trust Account (except that the amount of any interest on the amount deposited will be to Sanfield's account).



5. REPRESENTATIONS AND WARRANTIES

Sanfield represents and warrants that:

- (a) **(status)** it has been incorporated or formed in accordance with the laws of its place of incorporation, remains in good standing thereunder and has power and authority to own its assets and carry on its business as it is now being conducted;
- (b) **(power)** it has full legal capacity and power to enter into this deed poll, to comply with its obligations under it, and exercise its rights under it and otherwise carry out the transactions contemplated by the Scheme;
- (c) **(no contravention)** the entry by it into, its compliance with its obligations and the exercise of its rights under, this deed poll do not and will not breach:
 - (i) its constituent documents or cause a limitation on its powers or the powers of its directors to be exceeded;
 - (ii) any law binding or applicable to it or its assets; or
 - (iii) any Encumbrance or document binding on or applicable to it;
- (d) **(authorisations)** other than the approvals contemplated by clause 3.1 of the Scheme Implementation Deed, it has in full force and effect each authorisation necessary for it to enter into this deed poll, to comply with its obligations and exercise its rights under it, and to allow them to be enforced;
- (e) **(validity of obligations)** its obligations under this deed poll are valid and binding and are enforceable against it in accordance with its terms; and
- (f) **(solvency)** it is not the subject of an Insolvency Event (as that term is defined in the Scheme Implementation Deed).

6. CONTINUING OBLIGATIONS

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) Sanfield has fully performed its obligations under this deed poll; or
- (b) the earlier termination of this deed poll under clause 2.2 of this deed poll.



7. COSTS

7.1. Costs

Sanfield agrees to pay all costs in respect of the Scheme (including in connection with the transfer of Scheme Shares to Sanfield in accordance with the terms of the Scheme).

7.2. Stamp duty and registration fees

Sanfield:

- (a) agrees to pay or reimburse all Stamp Duty, registration fees and similar taxes payable or assessed as being payable in connection with this deed poll or any other transaction contemplated by this deed poll (including any fees, fines, penalties and interest in connection with any of these amounts); and
- (b) indemnifies each Scheme Participant against, and agrees to reimburse and compensate it for, any liability in respect of Stamp Duty under clause 7.2(a) of this deed poll.

8. NOTICES

- (a) Any notice or other communication, including consent, approval request and demand, to Sanfield in connection with this deed poll must be:
 - (i) in legible writing in English;
 - (ii) signed by the person making the communication or that person's duly authorised agent; and
 - (iii) addressed to Sanfield in accordance with the details set out below.

Sanfield

Address: Unit 2306, 9 Queen's Road Central, Hong Kong

Email: awtleung@biznetvigator.com

For the attention of: Leung Wing Tak



- (b) Any notice or other communication given in accordance with clause 8(a) will be deemed to have been duly given and received by one of the following methods and at the time set out below:
- (i) if delivered by hand, on delivery to the nominated address;
 - (ii) if sent by pre-paid post to the nominated address within the same country, at 9:00am (addressee's time) on the third Business Day after the date of posting;
 - (iii) if sent by pre-paid post to the nominated address from another country, at 9:00am (addressee's time) on the fifth Business Day after the date of posting;
 - (iv) if sent by email:
 - (1) when the sender receives an automated message confirming delivery; or
 - (2) four hours after the time sent (as recorded on the device from which the email was sent), provided that the sender does not receive an automated message that the email has not been delivered, whichever happens first.
- (c) Any notice that, pursuant to clause 8(b), would be deemed to be given:
- (i) other than on a Business Day or after 5:00pm on a Business Day, is regarded as given at 9:00am on the following Business Day; and
 - (ii) before 9:00am on a Business Day, is regarded as given at 9:00am on that Business Day,
- where references to time are to time in the place the recipient is located.
- (d) A Notice must not be given by electronic means of communication (other than email as permitted in clause 8(a)).

9. GENERAL

9.1. Variation

A provision of this deed poll or any right created under it may not be varied, altered or otherwise amended unless:

- (a) the variation is agreed to by Pelsart and Sanfield in writing; and



- (b) if the variation occurs after the First Court Date (as that term is defined in the Scheme Implementation Deed), the Court indicates (either at the hearing on the First Court Date, an interlocutory hearing or the hearing on the Second Court Date) that the variation, alteration or amendment would not itself preclude approval of the Scheme,

in which event Sanfield must enter into a further deed poll in favour of the Scheme Participants giving effect to the variation, alteration or amendment.

9.2. Partial exercising of rights

Unless this deed poll expressly states otherwise, if Sanfield does not exercise a right, power or remedy in connection with this deed poll fully or at a given time, it may still exercise it later.

9.3. Remedies cumulative

The rights, powers and remedies in connection with this deed poll are in addition to other rights, powers and remedies given by law independently of this deed poll.

9.4. Assignment or other dealings

Sanfield and each Scheme Participant may not assign or otherwise deal with its rights under this deed poll or allow any interest in them to arise or be varied without the consent of Sanfield and Pelsart.

9.5. Further steps

Sanfield agrees to do anything including executing all documents and do all things (on its own behalf or on behalf of each Scheme Participant) necessary to give full effect to this deed poll and the transactions contemplated by it.

10. GOVERNING LAW AND JURISDICTION

10.1. Governing law and jurisdiction

This deed poll is governed by and is to be construed in accordance with the law applicable in Western Australia. Sanfield submits to the non-exclusive jurisdiction of the courts of Western Australia.



10.2. Serving documents

Without preventing any other method of service, any document in an action in connection with this deed poll may be served on Sanfield by being delivered or left at the address set out in clause 8.

10.3. Appointment of process agent

- (a) Without preventing any method of service allowed under any relevant law, Sanfield:
 - (i) irrevocably appoints Nova Legal (**Process Agent**) as its process agent to receive any document in an action in connection with this deed poll; and
 - (ii) agrees that failure by the Process Agent to notify Sanfield of any document in an action in connection with this deed poll does not invalidate the action concerned.
- (b) If for any reason the Process Agent ceases to be able to act as process agent, Sanfield agrees to appoint another person as their process agent in the place referred to in clause 10.3(a) and ensure that the replacement process agent accepts its appointment and confirms its appointment to Sanfield.
- (c) The Process Agent has accepted its appointment as the process agent.
- (d) Sanfield agrees that service of documents on the Process Agent at the following address is sufficient service on it:

Level 2, 50 Kings Park Road
West Perth
Western Australia 6005



Schedule 1 – Glossary

The following definitions apply in this deed poll, unless the context requires otherwise:


Immediately Available Funds	cash, bank cheque or telegraphic or other electronic means of transfer of cleared funds into a bank account.
Parties	the section of this document headed “Parties”.
Scheme	the proposed scheme of arrangement pursuant to Part 5.1 of the Corporations Act between Pelsart and Scheme Participants in respect of all Scheme Shares, substantially in the form of Annexure A to this document, or as otherwise agreed by Sanfield and Pelsart, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by Pelsart and Sanfield.
Scheme Implementation Deed	the scheme implementation deed dated 15 March 2024, as amended and restated on 5 June 2024, between Pelsart and Sanfield under which, amongst other things, Pelsart has agreed to propose the Scheme to Scheme Participants, and each of Sanfield and Pelsart has agreed to take certain steps to give effect to the Scheme.
Trust Account	an Australian dollar denominated trust account operated by or on behalf of Pelsart to hold the Scheme Consideration on trust for the purpose of paying the Scheme Consideration to the Scheme Participants.



Signing Page

Sanfield

EXECUTED AS A DEED POLL by **Sanfield Holdings Limited** by the officer or officers named below who has or have authority to do so and to bind the said entity in accordance with its constitutional documents and the laws applying in the place of its incorporation, in favour of the Scheme Participants:



Signature of Officer

SEAN GUSTAV STANDISH
HUGHES

Full name of Officer (please print)

DIRECTOR

Capacity



Signature of Officer

ENK EE TAN

Full name of Officer (please print)

DIRECTOR

Capacity

Annexure C – Scheme of Arrangement

SCHEME OF ARRANGEMENT

Pelsart Resources N.L. (ACN 009 449 101)



Whadjuk Noongar Boodja
Level 26, 140 St Georges Terrace
Perth WA 6000

PO Box 8098
Cloisters Square
Perth WA 6850

Ref: 2312562

Contact: Will Moncrieff
will.moncrieff@blackwall.legal
+61 8 6169 2517

www.blackwall.legal



Scheme of Arrangement

Dated: 24 June 2024

Parties

Pelsart	Pelsart Resources N.L. (ACN 009 449 101) of Ground Floor, 849 Wellington Street, West Perth, Western Australia, Australia 6005.
Scheme Participants	each person who is a Pelsart Shareholder as at the Record Date, other than an Excluded Shareholder .

Operative Terms

1. DEFINITIONS AND INTERPRETATION

1.1. Definitions

Capitalised terms are defined in the Glossary located at Schedule 1.

1.2. General interpretation

Unless the contrary intention appears, in this document:

- (a) if a word or phrase is defined, then its other grammatical forms have a corresponding meaning;
- (b) the singular includes the plural and vice versa;
- (c) a reference to:
 - (i) a gender includes any gender;
 - (ii) a living thing includes a reference to an inanimate thing and vice versa;
 - (iii) a clause, schedule or annexure is a reference to a clause, schedule or annexure to this document;



- (iv) a document includes a variation, amendment or replacement of that document;
- (v) a statute includes its subordinate legislation and a modification, replacement or re-enactment of either;
- (vi) this document includes a schedule or annexure to this document;
- (vii) a person includes a reference to:
 - (1) an individual, a body corporate, a trust, a partnership, a joint venture an unincorporated body or other entity, whether or not it is a separate legal entity;
 - (2) if the person is an individual, the person's personal representatives and assigns; and
 - (3) if the person is not an individual, the person's successors and assigns;
- (viii) law includes a constitutional provision, treaty, decree, convention, statute, act, code, regulation, rule, order, ordinance, proclamation, subordinate legislation, by law, judgment, rule of common law, rule of equity, or rule of civil law, as amended, consolidated, re-enacted, replaced or applied to new or different facts;
- (ix) a thing, including a right, is a reference to either the whole thing or a part of the thing;
- (x) conduct includes an omission, statement or undertaking, whether or not in writing;
- (xi) \$, A\$ or dollars is to Australian currency;
- (xii) time is to the time in Perth, Western Australia;
- (xiii) a day is a reference to the period which starts at midnight and ends 24 hours later;
- (xiv) "writing" or "written" includes email; and
- (xv) a right includes a benefit, remedy, discretion or power;
- (d) the words "include", "includes", "including", "for example", "such as" or similar expressions are not words of limitation and do not restrict the interpretation of a word or phrase in this document;
- (e) a term, condition or warranty in this document in favour of or on the part of two or more people benefits or binds them jointly and severally;
- (f) if the date on which a thing must be done is not a Business Day, then that thing must be done on the next Business Day;



- (g) if a period of time runs from a given date, act or event, then the time is calculated exclusive of the date, act or event; and
- (h) a clause is not to be construed against a party solely on the ground that the party is responsible for the preparation of this document or that clause.

1.3. Headings

Headings and subheadings are for convenience only and do not affect the interpretation of this document.

2. PRELIMINARY

2.1. Pelsart

- (a) Pelsart is:
 - (i) a registered Australian public company (unlisted); and
 - (ii) focussed primarily on exploring for gold and other minerals from exploration activities in Kalimantan, Indonesia.
- (b) Pelsart's shareholders comprise:
 - (i) Sanfield – with a shareholding interest of 92.91%; and
 - (ii) members of the public – with a collective shareholding interest of 7.01%.

2.2. Sanfield

Sanfield is:

- (a) a company registered in Hong Kong with registration number 22103163; and
- (b) a wholly owned subsidiary of Primecorp Enterprises Limited, a company registered in the British Virgin Islands.

2.3. Scheme Implementation Deed and Deed Poll

- (a) Pelsart and Sanfield have agreed by executing the Scheme Implementation Deed to implement the terms of this Scheme.
- (b) This Scheme attributes actions to Sanfield. Sanfield has executed the Deed Poll for the purpose of covenanting in favour of the Scheme Participants to perform (or procure the performance of) the obligations attributable to



Sanfield as contemplated by this Scheme, including to provide or procure the provision of the Scheme Consideration to the Scheme Participants.

2.4. If Scheme becomes Effective

If this Scheme becomes Effective:

- (a) in consideration of the transfer of each Scheme Share to Sanfield, Sanfield will provide or procure the provision of the Scheme Consideration to each Scheme Participant in accordance with the terms of this Scheme;
- (b) all Scheme Shares, together with all Rights attaching to the Scheme Shares as at the Implementation Date, will be transferred to Sanfield on the Implementation Date; and
- (c) Pelsart will enter the name of Sanfield in the Register in respect of all Scheme Shares transferred to Sanfield in accordance with the terms of this Scheme with the result that Sanfield will hold all Pelsart Shares.

3. CONDITIONS PRECEDENT

3.1. Conditions precedent to Scheme

This Scheme is conditional on, and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) as at 8.00am on the Second Court Date, the Scheme Implementation Deed and Deed Poll not having been terminated in accordance with their respective terms;
- (b) all of the conditions precedent in clause 4.1 of the Scheme Implementation Deed having been satisfied or waived (other than the condition precedent relating to the Court having approved this Scheme in accordance with section 411(4)(b) of the Corporations Act) in accordance with the terms of the Scheme Implementation Deed;
- (c) the Court having approved this Scheme, with or without any modification or condition, pursuant to section 411(4)(b) of the Corporations Act, and if applicable, Pelsart and Sanfield having accepted in writing any modification or condition made or required by the Court under section 411(6) of the Corporations Act; and
- (d) the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) in relation to this



Scheme on or before the End Date (or any later date Pelsart and Sanfield agree in writing in accordance with the Scheme Implementation Deed).

3.2. Conditions precedent and operation of clause 5

The satisfaction of each condition of clause 3.1 of this Scheme is a condition precedent to the operation of clause 5 of this Scheme.

3.3. Certificate in relation to conditions precedent

- (a) Pelsart and Sanfield must provide to the Court on the Second Court Date a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent set out in clause 3.1 of this Scheme (other than the conditions precedent in clauses 3.1(c) and 3.1(d) of this Scheme) have been satisfied or waived as at 8.00am on the Second Court Date.
- (b) Unless the Court requires otherwise, the certificate referred to in this clause 3.3 will constitute conclusive evidence of whether the conditions precedent referred to in clause 3.1 of this Scheme (other than the conditions precedent in clauses 3.1(c) and 3.1(d) of this Scheme) have been satisfied or waived as at 8.00am on the Second Court Date.

4. SCHEME

4.1. Effective Date

Subject to clause 4.2, this Scheme will come into effect pursuant to section 411(10) of the Corporations Act on and from the Effective Date.

4.2. End Date

This Scheme will lapse and be of no further force or effect if:

- (a) the Effective Date does not occur on or before the End Date; or
- (b) the Scheme Implementation Deed or Deed Poll is terminated in accordance with its respective terms.



5. IMPLEMENTATION OF SCHEME

5.1. Lodgement of Court orders with ASIC

If the conditions precedent set out in clause 3.1 of this Scheme (other than the condition precedent in clause 3.1(d) of this Scheme) are satisfied, Pelsart must lodge with ASIC, in accordance with section 411(10) of the Corporations Act, an office copy of the Court order approving this Scheme as soon as possible, and in any event by no later than 12.00pm on the first Business Day after the day on which the Court approves this Scheme or such later time as Sanfield and Pelsart agree in writing.

5.2. Transfer and registration of Scheme Shares

On the Implementation Date, but subject to the provision of the Scheme Consideration for the Scheme Shares in accordance with clause 6.3 of this Scheme and Sanfield having provided Pelsart with written confirmation of the provision of the Scheme Consideration:

- (a) all Scheme Shares, together with all Rights attaching to them as at the Implementation Date, will be transferred to Sanfield, without the need for any further act by any Scheme Participant (other than acts performed by Pelsart as attorney and agent for Scheme Participants under clause 5.8(a) of this Scheme), by:
 - (i) Pelsart delivering to Sanfield a duly completed and executed Scheme Transfer executed on behalf of the Scheme Participants by Pelsart, for registration; and
 - (ii) Sanfield duly executing the Scheme Transfer and delivering it to Pelsart for registration; and
- (b) as soon as practicable after receipt of the duly executed Scheme Transfer, Pelsart must enter, or procure the entry of, the name of Sanfield in the Register in respect of all Scheme Shares transferred to Sanfield in accordance with the terms of this Scheme.

5.3. Entitlement to Scheme Consideration

On the Implementation Date, in consideration for the transfer to Sanfield of all Scheme Shares, each Scheme Participant will be entitled to receive the Scheme Consideration in respect of each of their Scheme Shares in accordance with clause 6 of this Scheme.



5.4. Title and rights in Scheme Shares

Subject to the provision of the Scheme Consideration for the Scheme Shares as contemplated by clause 6.3 of this Scheme, on and from the Implementation Date, Sanfield will be beneficially entitled to all Scheme Shares transferred to it under the Scheme, pending registration by Pelsart of Sanfield in the Register as the holder of the Scheme Shares.

5.5. Scheme Participants' agreements

Under this Scheme, each Scheme Participant agrees to the transfer of their Scheme Shares, together with all Rights attaching to them, in accordance with the terms of this Scheme. In relation to such transfer, each Scheme Participant also provides the authorities and acknowledgements in clause 10.3.

5.6. Warranty by Scheme Participants

Each Scheme Participant warrants to Sanfield and is deemed to have authorised Pelsart to warrant to Sanfield as agent and attorney for the Scheme Participant by virtue of this clause 5.6, that on the Implementation Date:

- (a) all their Scheme Shares (including any Rights attaching to them) transferred to Sanfield under this Scheme will, as at the date of the transfer, be fully paid and free from all Encumbrances and interests of third parties of any kind whether legal or otherwise, and restrictions on transfer of any kind;
- (b) they have full power and capacity to sell and to transfer their Scheme Shares (including any Rights attaching to those shares) to Sanfield under this Scheme; and
- (c) they have no existing right to be issued any Pelsart Shares, options exercisable into Pelsart Shares, Pelsart convertible notes or any other Pelsart securities.

5.7. Transfer free of Encumbrances

To the extent permitted by law, all Scheme Shares (including any Rights attaching to them) which are transferred to Sanfield under this Scheme will, at the date of the transfer of them to Sanfield, vest in Sanfield free from all Encumbrances and interests of third parties of any kind, whether legal or otherwise, and free from any restrictions on transfer of any kind not referred to in this Scheme.

5.8. Appointment of Sanfield as sole proxy

Subject to the provision of the Scheme Consideration for the Scheme Shares as contemplated by clause 6.3 of this Scheme, on and from the Implementation Date



until Pelsart registers Sanfield as the holder of all of the Scheme Shares in the Register, each Scheme Participant:

- (a) irrevocably appoints Pelsart as attorney and agent (and directs Pelsart in such capacity) to appoint Sanfield and each of its directors from time to time (jointly and each of them individually) as its sole proxy, and where applicable corporate representative, to attend shareholders' meetings, exercise the votes attaching to Scheme Shares registered in its name and sign any shareholders resolution, and no Scheme Participant may itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to this clause 5.8(a));
- (b) must take all other actions in the capacity of the registered holder of Pelsart Shares as Sanfield directs; and
- (c) acknowledges and agrees that in exercising the powers referred to in clause 5.8(a), Sanfield and any director or corporate representative nominated by Sanfield under clause 5.8(a) may act in the best interests of Sanfield as the intended registered holder of the Scheme Shares.
- (d) Pelsart undertakes in favour of each Scheme Participant that it will appoint Sanfield and each of its directors from time to time (jointly and each of them individually) as that Scheme Participant's proxy or, where applicable, corporate representative in accordance with clause 5.8(a) of this Scheme.

6. SCHEME CONSIDERATION

6.1. Consideration under this Scheme

- (a) Each Scheme Participant is entitled to receive the Scheme Consideration.
- (b) On the Implementation Date, Sanfield:
 - (i) must provide or procure the provision of the Scheme Consideration to the Scheme Participants in accordance with this clause 6; and
 - (ii) agrees to make or procure the payment of the Scheme Consideration in accordance with this clause 6.

6.2. Satisfaction of obligations in relation to Scheme Consideration

The obligation of Sanfield to make or procure the payment of the Scheme Consideration will be satisfied by Sanfield depositing or procuring the deposit of, no



later than 5.00pm on the day that is two Business Days before the Implementation Date, in Immediately Available Funds, the aggregate amount of the Scheme Consideration payable to the relevant Scheme Participants (less any amount withheld in accordance with clause 6.5 or clause 6.7) into the Trust Account (except that the amount of any interest on the amount deposited will be to Sanfield's account).

6.3. Payment of Scheme Consideration

- (a) On the Implementation Date, and subject to Sanfield having deposited the requisite funds in accordance with clause 6.2, Pelsart must pay to each relevant Scheme Participant an amount equal to the Scheme Consideration for each Scheme Share transferred to Sanfield on the Implementation Date by that Scheme Participant.
- (b) The obligations of Pelsart under clause 6.3(a) will be satisfied by Pelsart (in its absolute discretion, and despite any election referred to in clause 6.3(b)(i) or authority referred to in clause 6.3(b)(ii) made or given by the relevant Scheme Participant):
 - (i) paying, or procuring the payment of, the relevant amount in Australian currency by electronic means to a bank account nominated by the Scheme Participant, where the Scheme Participant has made a valid election prior to the Record Date in accordance with the requirements of the Registry to receive dividend payments from Pelsart to that bank account;
 - (ii) paying, or procuring the payment of, the relevant amount in Australian currency by electronic means to a bank account nominated by the Scheme Participant by an appropriate authority from the Scheme Participant to Pelsart; or
 - (iii) dispatching, or procuring the dispatch of, a cheque drawn on an Australian bank for the relevant amount in Australian currency to the Scheme Participant by pre-paid ordinary post (or, if the address of the Scheme Participant in the Register is outside Australia, by pre-paid airmail post) to their address recorded in the Register on the Record Date.
- (c) In the event that:
 - (i) a Scheme Participant does not have a Registered Address and no account has been notified in accordance with clause 6.3(b)(i) or 6.3(b)(ii) or a deposit into such an account is rejected or refunded; or
 - (ii) a cheque issued under clause 6.3(b)(iii) has been cancelled in accordance with clause 6.4(a)(i),



Pelsart as the trustee for the Scheme Participant may credit the amount payable to the relevant Scheme Participant to a separate bank account of Pelsart (**Separate Account**) to be held until the Scheme Participant claims the amount or the amount is dealt with under the *Unclaimed Money Act 1990* (WA). To avoid doubt, if the amount is not credited to a Separate Account, the amount will continue to be held in the Trust Account until the Scheme Participant claims the amount or the amount is dealt with under the *Unclaimed Money Act 1990* (WA). Until such time as the amount is dealt with under the *Unclaimed Money Act 1990* (WA), Pelsart must hold the amount on trust for the relevant Scheme Participant, but any interest or other benefit accruing from the amount will be to the benefit of Sanfield. An amount credited to the Separate Account or Trust Account (as applicable) is to be treated as having been paid to the Scheme Participant when credited to the Separate Account or Trust Account (as applicable). Pelsart must maintain records of the amounts paid, the people who are entitled to the amount and any transfers of the amounts.

- (d) To the extent that, following satisfaction of Pelsart's obligations under clause 6.3(c), there is a surplus in the amount held in the Trust Account, that surplus may be paid by Pelsart to Sanfield.

6.4. Unclaimed Monies

- (a) Pelsart may cancel a cheque issued under clause 6.3 of this Scheme if the cheque:
 - (i) is returned to Pelsart; or
 - (ii) has not been presented for payment within 6 months after the date on which the cheque was sent.
- (b) During the period of 1 year commencing on the Implementation Date, on request from a Scheme Participant, Pelsart must reissue a cheque that was previously cancelled under this clause 6.4.

6.5. Fractional entitlement to Scheme Consideration

Where the calculation of the amount Scheme Consideration to be paid to a particular Scheme Participant would result in the Scheme Participant becoming entitled to an additional amount of \$0.005, the amount of Scheme Consideration paid to that Scheme Participant will be rounded down to the nearest \$0.01 amount.

6.6. Foreign resident capital gains tax withholding

- (a) If Sanfield determines, having regard to professional advice, that Sanfield is required by Subdivision 14-D of Schedule 1 of the TAA (**Subdivision 14-D**) to pay any amounts to the Commissioner in respect of the acquisition of



Scheme Shares from certain Scheme Participants, Sanfield is permitted to deduct the relevant amounts from the payment of the Scheme Consideration to those Scheme Participants, and must remit such amounts to the Commissioner. The aggregate sum payable to Scheme Participants will not be increased to reflect the deduction and the net aggregate sum payable to those Scheme Participants will be taken to be in full and final satisfaction of the amounts owing to those Scheme Participants.

- (b) Sanfield acknowledges and agrees that it will not pay any amounts to the Commissioner under clause 6.6(a) with respect to a Scheme Participant where Sanfield:
 - (i) receives a Scheme Participant Declaration from the Scheme Participant prior to the Implementation Date; and
 - (ii) does not know that the Scheme Participant Declaration is false.
- (c) Pelsart agrees Sanfield may approach the ATO to obtain clarification as to the application of Subdivision 14-D to this Scheme and will provide all information and assistance Sanfield reasonably requires in making any such approach.
- (d) The parties agree to consult in good faith as to the application of Subdivision 14-D, including taking into account any clarification provided by the ATO following any process described in clause 6.6(c). The parties agree to take all actions that they agree (each acting reasonably) are necessary or desirable following that consultation which may include, without limitation, making amendments to this document and the Deed Poll to ensure that relevant representations are obtained from Scheme Participants.

6.7. Orders of a Court or Governmental Authority

- (a) Pelsart may deduct and withhold from any consideration which would otherwise be provided to a Scheme Participant in accordance with this clause 6, any amount which Pelsart and Sanfield determine is required to be deducted and withheld from that consideration under any applicable law, including any order, direction or notice made or given by a court of competent jurisdiction or by another Governmental Authority.
- (b) To the extent that amounts are so deducted or withheld, such deducted or withheld amounts will be treated for all purposes under this Scheme as having been paid to the person in respect of which such deduction and withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate taxing agency.



- (c) If written notice is given to Pelsart of an order, direction or notice made or given by a court of competent jurisdiction or by another Governmental Authority that:
- (i) requires consideration which would otherwise be provided to a Scheme Participant in accordance with this clause 6 to instead be paid or provided to a Governmental Authority or other third party, then Pelsart will be entitled to procure that provision of that consideration is made in accordance with that order, direction or notice (and payment or provision of that consideration in accordance with that order, direction or notice will be treated for all purposes under this Scheme as having been paid or provided to that Scheme Participant); or
 - (ii) prevents consideration being provided to any particular Scheme Participant in accordance with this clause 6, or the payment or provision of such consideration is otherwise prohibited by applicable law, Pelsart will be entitled to (as applicable) direct Sanfield not to pay or procure the payment of such Scheme Consideration as that Scheme Participant would otherwise be entitled to under this clause 6, until such time as payment or provision of the consideration in accordance with this clause 6 is permitted by that order or direction or otherwise by law,

and the payment or retention by Pelsart (or the Pelsart Registry) will constitute the full discharge of Pelsart's obligations under clause 6.3 with respect of the amount so paid or retained until, in the case of clause 6.7(c)(ii), it is no longer required to be retained.

6.8. Joint holders

In the case of Scheme Shares held in joint names:

- (a) any cheque required to be sent under this Scheme must be payable to the joint holders and sent to the holder whose name appears first in the Register on the Record Date; and
- (b) any document required to be sent under this Scheme will be sent to the holder whose name appears first in the Register as at the Record Date.

7. DEALINGS IN SCHEME SHARES

7.1. Determination of Scheme Participants

To establish the identity of the Scheme Participants, dealings in Pelsart Shares or other alterations to the Register will only be recognised by Pelsart if registrable



transmission applications or transfers in registrable form in respect of those dealings are received on or before the Record Date at the place where the Register is kept, and Pelsart will not accept for registration, nor recognise for any purpose (except a transfer to Sanfield under this Scheme and any subsequent transfer by Sanfield or its successors in title), any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

7.2. Register

Pelsart must register any registrable transmission applications or transfers of the Pelsart Shares received in accordance with clause 7.1 of this Scheme on or before the Record Date.

7.3. No disposals after Effective Date

If this Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of or purport or agree to dispose of any Scheme Shares or any interest in them after the Record Date in any way except as set out in this Scheme and any such disposal will be void and of no legal effect whatsoever.

7.4. Maintenance of Pelsart Register

For the purpose of determining entitlements to the Scheme Consideration, Pelsart will maintain the Register in accordance with the provisions of this clause 7 until the Scheme Consideration has been paid to the Scheme Participants and Sanfield has been entered in the Register as the holder of all Pelsart Shares. The Register in this form will solely determine entitlements to the Scheme Consideration.

7.5. Effect of certificates and holding statements

Subject to provision of the Scheme Consideration and registration of the transfer to Sanfield contemplated in clauses 5.2 and 7.4 of this Scheme, any statements of holding in respect of Scheme Shares will cease to have effect after the Record Date as documents of title in respect of those shares. After the Record Date, each entry current on the Register as at the Record Date relating to a Scheme Share will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Scheme Shares relating to that entry.

7.6. Details of Scheme Participants

Within 3 Business Days after the Record Date, Pelsart will ensure that details of the names, Registered Addresses and holdings of Scheme Shares for each Scheme



Participant, as shown in the Register at the Record Date, are available to Sanfield in such form as Sanfield reasonably requires.

8. PELSART POWER OF ATTORNEY

Each Scheme Participant, without the need for any further act by any Scheme Participant, irrevocably appoints Pelsart and each of its directors and secretaries (jointly and each of them individually) as its attorney and agent for the purpose of:

- (a) executing any document necessary or expedient to give effect to this Scheme including the Scheme Transfer; and
 - (b) enforcing the Deed Poll against Sanfield,
- and Pelsart accepts such appointment.

9. NOTICES

9.1. No deemed receipt

If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Pelsart, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Pelsart's registered office or at the office of the Registry.

9.2. Accidental omission

The accidental omission to give notice of the Scheme Meeting or the non-receipt of such a notice by any Scheme Participant, director or auditor will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

10. GENERAL

10.1. Variations, alterations and conditions

- (a) Pelsart may, with the consent of Sanfield, by its counsel or solicitor, consent on behalf of all persons concerned to any variations, alterations or conditions to this Scheme which the Court thinks fit to impose.



- (b) Each Scheme Participant agrees to any such alterations or conditions which Pelsart has consented to pursuant to clause 10.1(a).

10.2. Further actions

Pelsart and Sanfield must do anything necessary (including executing agreements and documents on their own behalf or, in relation to Pelsart, on behalf of each Scheme Participant) or incidental to give full effect to this Scheme and the transactions contemplated by it.

10.3. Scheme Participants' agreements

Each Scheme Participant irrevocably:

- (a) agrees to the transfer of their Scheme Shares together with all Rights attaching to them in accordance with this Scheme;
- (b) agrees to the variation, cancellation or modification of the Rights attached to their Scheme Shares constituted by or resulting from this Scheme;
- (c) consents to Pelsart and Sanfield doing all things necessary, expedient or incidental to give full effect to this Scheme and the transactions contemplated by it including executing all deeds, instruments, transfers or other documents;
- (d) agrees to, on the direction of Sanfield, destroy any holding statements or share certificates relating to their Scheme Shares;
- (e) agrees and acknowledges that the payment of the Scheme Consideration in accordance with clause 6 constitutes satisfaction of all that person's entitlements under this Scheme; and
- (f) acknowledges that this Scheme binds Pelsart and all of the Scheme Participants from time to time (including those who do not attend the Scheme Meeting and those who do not vote, or vote against this Scheme, at the Scheme Meeting).

10.4. No liability when acting in good faith

Without prejudice to the parties' rights under the Scheme Implementation Deed, neither Pelsart nor Sanfield, nor any of their respective officers, will be liable for anything done or omitted to be done in the performance of this Scheme in good faith.

10.5. Enforcement of Deed Poll

Pelsart undertakes in favour of each Scheme Participant to enforce the Deed Poll against Sanfield on behalf of and as agent and attorney for the Scheme Participants.



10.6. Stamp duty

Sanfield will pay all Stamp Duty (including any fines, penalties and interest) payable in connection with this Scheme.

11. GOVERNING LAW

11.1. Governing law and jurisdiction

This document is governed by and to be construed in accordance with the laws applicable in Western Australia. The parties submit to the non-exclusive jurisdiction of the courts of Western Australia.

11.2. Serving documents

Without preventing any other method of service, any document in an action in connection with this document may be served on Pelsart by being delivered or left at the address set out in the Parties section.



Schedule 1 – Glossary

The following definitions apply in this document, unless the context requires otherwise:

ASIC	the Australian Securities & Investments Commission.
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ATO	the Australian Taxation Office.
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Business Day	a day other than a Saturday, Sunday or bank or public holiday in Perth, Western Australia.
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Commissioner	the Commissioner of Taxation of Australia.
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Corporations Act	the <i>Corporations Act 2001</i> (Cth).
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Court	the Supreme Court of Western Australia, or another court of competent jurisdiction under the Corporations Act agreed in writing by Pelsart and Sanfield.
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Deed Poll	the deed poll executed by Sanfield substantially in the form of Schedule 3 of the Scheme Implementation Deed or as otherwise agreed by Sanfield and Pelsart under which Sanfield covenants in favour of each Scheme Participant to perform the obligations attributed to it under this Scheme.
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Effective	the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to this Scheme, but in any event at no time before an office copy of the order of the Court is lodged with ASIC.
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Effective Date	the date on which this Scheme becomes Effective.
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Encumbrance	any security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed deposit arrangement, “security interest” as defined in sections 12(1) or 12(2) of the PPSA, right of first refusal, pre-emptive right, any similar restriction, or any agreement to create any of them or allow them to exist.
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End Date	the End Date determined in accordance with the Scheme Implementation Deed.
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Excluded Shareholder	means: (a) Sanfield; and (b) any of its Related Bodies Corporate.
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Governmental Authority	(a) any national, federal, state, or government or any entity exercising executive, legislative, judicial, arbitral, regulatory, taxing, or administrative functions of or pertaining to government; (b) any agency, division, bureau, department, committee, or other political subdivision of any government, entity or organisation described in the foregoing clause (a) of this definition (including patent and trademark offices); or (c) quasi-governmental, self-regulatory agency, commission or authority, including any national securities exchange or national quotation system, and includes ASIC, the Takeovers Panel and any Australian, federal, state, provincial or territory revenue offices.
Immediately Available Funds	cash, bank cheque or telegraphic or other electronic means of transfer of cleared funds into a bank account.
Implementation Date	the 5th Business Day following the Record Date or such other date after the Record Date as is agreed in writing by Sanfield and Pelsart.
Parties	the section of this document headed “Parties”.
Pelsart Share	a fully paid ordinary share in the capital of Pelsart.
Pelsart Shareholder	each person who is registered in the Register of Pelsart as a holder of Pelsart Shares.
PPSA	the <i>Personal Property Securities Act 2009</i> (Cth).
Record Date	5.00pm on the fifth Business Day following the Effective Date or any other date as agreed by Pelsart and Sanfield.
Register	the register of members of Pelsart maintained by or on behalf of Pelsart in accordance with section 168(1) of the Corporations Act.
Registered Address	means, in relation to a Pelsart Shareholder, the address shown in the Register.
Registry	Automatic Share Registry (ACN 152 260 814)
Rights	all accretions, rights and benefits attaching to, or arising from, the Scheme Shares directly or indirectly, including any capital returns, all dividends and all rights to receive them and rights to receive or subscribe for shares, notes, bonds, options or other securities or entitlements declared, paid or issued by Pelsart.
Sanfield	Sanfield Holdings Limited, a company incorporated and registered in Hong Kong with business registration number 22103163.



Scheme	this scheme of arrangement subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act.
Scheme Booklet	the information booklet approved by the Court and despatched to Scheme Participants which includes the Scheme and an explanatory statement complying with the requirements of the Corporations Act.
Scheme Consideration	in respect of each Scheme Share, \$0.035 cash.
Scheme Implementation Deed	the Scheme Implementation Deed dated 15 March 2024, as amended and restated on 5 June 2024, between Pelsart and Sanfield under which, amongst other things, Pelsart has agreed to propose this Scheme to Scheme Participants, and each of Sanfield and Pelsart have agreed to take certain steps to give effect to this Scheme.
Scheme Meeting	the meeting(s) of Scheme Participants ordered by the Court to be convened pursuant to section 411(1) of the Corporations Act at which Scheme Participants will vote on this Scheme.
Scheme Participant	each person who is a Pelsart Shareholder as at the Record Date, other than an Excluded Shareholder.
Scheme Participant Declaration	a declaration in accordance with the requirements of section 14-225 of Schedule 1 of the TAA that covers (at least) the Implementation Date.
Scheme Share	a Pelsart Share held by a Scheme Participant.
Scheme Transfer	one or more proper instruments of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, which may be or include a master transfer of all or part of the Scheme Shares.
Second Court Date	the first day on which an application made to the Court under section 411(4)(b) of the Corporations Act approving the Scheme is heard or scheduled to be heard or, if the application is adjourned for any reason, the date on which the adjourned application is heard or scheduled to be heard.
Stamp Duty	means any stamp duty, transfer duty, landholder duty, transaction duty, loan duty, mortgage duty, instrument duty or other duty of a like kind, whether under the <i>Duties Act 2008</i> (WA) or equivalent legislation.
Subsidiary	has the meaning given to it in the Corporations Act.
TAA	the <i>Taxation Administration Act 1953</i> (Cth).
Trust Account	an Australian dollar denominated trust account operated by or on behalf of Pelsart to hold the Scheme Consideration on trust for the purpose of paying



the Scheme Consideration to the Scheme Participants in accordance with
clause 6.3 of this Scheme.

Annexure D – Notice of Scheme Meeting

Pelsart Resources N.L. (Pelsart)
ACN 009 449 101

Notice is given that, by an order of the Supreme Court of Western Australia made on 21 June 2024, pursuant to section 411(1) of the Corporations Act, a meeting of the holders of Pelsart Shares will be held at 10:00am (AWST) on Monday, 22 July 2024 at Swan Room, Parmelia Hilton Perth, 14 Mill Street, Perth Western Australia and online at investor.automic.com.au.

Purpose of the Scheme Meeting

The purpose of this Scheme Meeting is to consider and, if thought fit, agree to a scheme of arrangement (with or without amendment or any alterations or conditions required by the Court to which Pelsart and Sanfield agree) proposed to be made between Pelsart and Scheme Participants and to consider and, if thought fit, pass the Scheme Resolution.

The Scheme Booklet accompanying this Notice of Scheme Meeting constitutes an explanatory statement for the purposes of section 412(1) of the Corporations Act.

Capitalised terms used in this notice have the meaning given to those terms in section 10 of the Scheme Booklet.

Scheme Resolution

That pursuant to and in accordance with section 411 of the Corporations Act:

- The scheme of arrangement proposed between Pelsart and Scheme Participants, as contained in and more particularly described in the Scheme Booklet accompanying this Notice of Scheme Meeting, is agreed to.
- Your Directors are authorised:
 - to agree to such alterations or conditions as are directed by the Court; and
 - subject to approval of the Scheme by the Court, to implement the Scheme with any such alterations or conditions.

Chair

The Court has directed that William Moncrieff, Counsel of Blackwall Legal LLP, is to act as Chairman of the Scheme Meeting (and that, if William Moncrieff is unable or unwilling to attend, James Chan (a Director) is to act as Chairman of the Scheme Meeting) and has directed the Chairman to report the result of the Scheme Resolution to the Court.

Dated 24 June 2024

BY ORDER OF THE BOARD

Steven Roberts
Company Secretary

EXPLANATORY NOTES FOR THE SCHEME MEETING

1. GENERAL

This Notice of Scheme Meeting relates to the Scheme and should be read in conjunction with the accompanying Scheme Booklet. The Scheme Booklet contains important information to assist you in determining how to vote on the Scheme Resolution, including the information prescribed by the Corporations Act and the *Corporations Regulations 2001* (Cth).

A copy of the Scheme is set out in Annexure C of the Scheme Booklet.

2. REQUIRED VOTING MAJORITY

For the proposed Scheme to be binding in accordance with section 411 of the Corporations Act, the Scheme Resolution must be approved by the Requisite Majorities, being:

- (a) a majority in number (that is more than 50%) of Scheme Participants present and voting on the Scheme Resolution at the Scheme Meeting (either in person, or by proxy or representative); and
- (b) at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by Scheme Participants (either in person, or by proxy or representative).

The vote on the Scheme Resolution will be conducted by a poll.

3. COURT APPROVAL

Under section 411(4)(b) of the Corporations Act, the Scheme (with or without amendment or any alteration or condition required by the Court) is subject to the approval of the Court. If the Scheme Resolution is duly passed by the Requisite Majorities and the other conditions to the Scheme (other than approval by the Court and lodgement of the Scheme Order with ASIC) are satisfied or waived by the time required under the Scheme, Pelsart intends to apply to the Court for the necessary orders to give effect to the Scheme.

In order for the Scheme to become Effective, it must be approved by the Court and an office copy of the orders of the Court approving the Scheme must be lodged with ASIC.

4. VOTING ENTITLEMENTS

Each person who is a Scheme Participant as at 5:00pm (AWST) on 20 July 2024 is entitled to attend and vote at the Scheme Meeting.

5. HOW TO VOTE

If you are a Scheme Participant entitled to vote at the Scheme Meeting, you may vote by:

- Attending and voting in person.
- Attending and voting via the online platform at investor.automic.com.au.
- Appointing an attorney to attend and vote on your behalf, using a power of attorney.

- In the case of a body corporate, appointing a body corporate representative to attend the meeting and vote on your behalf, using a certificate of appointment of body corporate representative.
- Appointing a proxy to attend and vote on your behalf, using the proxy form accompanying this Scheme Booklet.

5.1. Voting in person

To vote in person, you must attend the Scheme Meeting. Scheme Participants who wish to attend and vote at the meeting in person will be admitted and given a voting card at the point of entry to the meeting, once they have disclosed their name and address.

5.2. Voting online

To vote online, you must participate in the Scheme Meeting via the online platform at investor.automic.com.au on your smartphone, tablet or computer. You will need the latest versions of Chrome, Safari, Edge or Firefox. Please ensure your browser is compatible.

Online registration will open 30 minutes prior to the start of the Scheme Meeting. You will need your SRN/HIN and registered postcode or country code to register via the online platform.

Proxyholders will need to contact Automic prior to the Scheme Meeting to obtain their login details.

Scheme Participants who wish to participate in and vote at the Meeting online can access the Meeting as follows:

1. Open your internet browser and go to investor.automic.com.au.
2. Login with your username and password or click “register” if you haven’t already created an account. Scheme Participants are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting.
3. After logging in, a banner will display at the bottom of your screen to indicate that the meeting is open for registration, click on “Register” when this appears. Alternatively, click on “Meetings” on the left-hand menu bar to access registration.
4. Click on “Register” and follow the steps.
5. Click on the URL to join the webcast where you can view and listen to the virtual meeting.
6. Once the Chair of the Meeting has declared the poll open for voting click on “Refresh” to be taken to the voting screen.
7. Select your voting direction and click “confirm” to submit your vote. Note that you cannot amend your vote after it has been submitted.

Attending the Meeting online enables Scheme Participants to view the Meeting live and to also ask questions and cast votes at the appropriate times whilst the Meeting is in progress.

Creating an account with the Share Registry

To create an account with the Share Registry, please go to the Automic website (<https://investor.automic.com.au/#/home>), click on ‘register’ and follow the steps. Scheme Participants will require their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) to create an account with Automic.

Further information and support on how to use the platform is available on the Share Registry website – www.automic.com.au. It is recommended that you register to use the registry website well in advance of the Meeting to save time on the day of the Meeting. Should you have any difficulties, you can contact the registry by telephone on 1300 288 664 (within Australia) and +61 2 9698 5414 (overseas).

A complete guide to registering your attendance and voting at the virtual meeting is also available to view and download from <https://www.automicgroup.com.au/wp-content/uploads/2021/01/Virtual-Meeting-Registration-and-Voting-Shareholder-Guide-V2.pdf>

5.3. Voting by proxy

Scheme Participants are advised that:

- Each Scheme Participant who is entitled to attend and cast a vote at the Scheme Meeting has a right to appoint a proxy to attend and vote for them.
- The proxy need not be a Pelsart Shareholder.
- A Scheme Participant who is entitled to cast two or more votes may appoint either one or two proxies, and may specify the proportion or number of votes each proxy is appointed to exercise. If the appointment is for two proxies and does not specify the proportion or number of votes each proxy may exercise, then, in accordance with section 249X(3) of the Corporations Act, each proxy may exercise half of the votes.

To vote by proxy, the proxy form accompanying this Scheme Booklet must be completed and lodged in accordance with this Notice of Scheme Meeting and the instructions on the form.

The proxy form must be signed by the Scheme Participant or their attorney duly authorised in writing. If the Scheme Participant is a company that has a sole director who is also the sole company secretary, this form must be signed by that person. If the company does not have a company secretary, the sole director must sign the form. Otherwise, the proxy form must be signed by a director jointly with either another director or a company secretary. In the case of shares jointly held by two or more persons, all joint holders must sign the proxy form.

5.4. Voting by attorney

A Scheme Participant entitled to attend and vote at the Scheme Meeting is also entitled to appoint an attorney to attend and vote on their behalf. An attorney need not be a Pelsart Shareholder.

The power of attorney appointing the attorney must be duly executed and specify the name of the Scheme Participant, Pelsart and the attorney, and also specify the meeting at which the appointment may be used. The appointment may be a standing one.

Attorneys of eligible Scheme Participants will be admitted to the meeting and given a voting card on providing at the point of entry to the meeting written evidence of their appointment, their name and address, and the name of their appointers.

Your appointment of an attorney does not preclude you from attending in person and voting at the meeting.

5.5. Lodgement of proxies, powers of attorney and queries

The proxy form (and, if not already lodged, the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and, if not already lodged, the power of attorney or other authority), powers of attorney and authorities, must be received by Pelsart's Share Registry in any of the following ways:

- By post to:

Pelsart Resources N.L.
C/- Automic
GPO Box 5193
Sydney NSW 2001

- By email at:

meetings@automicgroup.com.au

at least 48 hours before the time for holding the Scheme Meeting (that is, not later than 10:00am (AWST) on 20 July 2024), or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote. Documents received after this deadline will not be valid for the scheduled meeting.

5.6. Voting by corporate representative

A body corporate that is a Scheme Participant, or that has been appointed as a proxy, may appoint an individual to act as its representative at the meeting. The appointment must comply with the requirements of section 250D of the Corporations Act, meaning that Pelsart will require a certificate of appointment of body corporate representative to be executed by the body corporate in accordance with the Corporations Act. The certificate of appointment may set out restrictions on the representative's powers.

An "Appointment of Corporate Representative" may be obtained for this purpose from the Share Registry's website at <https://www.automicgroup.com.au/>.

The certificate should be lodged at the registration desk on the day of the meeting or sent to Pelsart's Share Registry in advance of the Scheme Meeting, in any of the ways set out above in relation to the lodgement of proxies, powers of attorney and queries.

6. JOINTLY HELD SECURITIES

If Scheme Shares are jointly held and, more than one member votes in respect of those jointly held shares, only the vote of the Scheme Participant whose name appears first in the Register will be counted.

7. ATTENDANCE

If you or your proxies, attorneys or corporate representative(s) plan to attend the Scheme Meeting, please arrive at the venue at least 15 minutes before the scheduled time for commencement of the meeting, so that your shareholding can be checked against the Register, any power of attorney or certificate of appointment of body corporate representative verified, and your attendance noted.

8. ADVERTISEMENT

Where this Notice of Scheme Meeting is advertised unaccompanied by the Scheme Booklet, a copy of the Scheme Booklet can be obtained by anyone entitled to attend the meeting from Pelsart's website (<https://www.pelsart.com.au>) or by contacting Pelsart's Share Registry.

Annexure E – Independent Expert's Report

Pelsart Resources NL

Independent Expert's Report

19 June 2024



Financial Services Guide

19 June 2024

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Pelsart Resources N.L. ('Pelsart' or 'the Company') to provide an independent expert's report on the proposed scheme of arrangement ('the Scheme') for Sanfield Holdings Limited ('Sanfield') to acquire the entire issued capital in Pelsart that it does not already own. You are being provided with a copy of our report because you are a shareholder of Pelsart and this Financial Services Guide ('FSG') is included in the event you are also classified under the Corporations Act 2001 ('the Act') as a retail client.

Our report and this FSG accompanies the Scheme Booklet required to be provided to you by Pelsart to assist you in deciding on whether or not to approve the Scheme.

Financial Services Guide

This FSG is designed to help retail clients make a decision as to their use of our general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG includes information about:

- ◆ Who we are and how we can be contacted;
- ◆ The services we are authorised to provide under our Australian Financial Services Licence No. 316158;
- ◆ Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- ◆ Any relevant associations or relationships we have; and
- ◆ Our internal and external complaints handling procedures and how you may access them.

Information about us

We are a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide professional services primarily in the areas of audit, tax, consulting, mergers and acquisition, and financial advisory services.

We and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business and the directors of BDO Corporate Finance (WA) Pty Ltd may receive a share in the profits of related entities that provide these services.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients, and deal in securities for wholesale clients. The authorisation relevant to this report is general financial product advice.

When we provide this financial service we are engaged to provide an expert report in connection with the financial product of another person. Our reports explain who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. If you have any questions, or don't fully understand our report you should seek professional financial advice.

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$60,000. Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities,



receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report and our directors do not hold any shares in Pelsart.

Other assignments

BDO Corporate Tax (WA) Pty Ltd and BDO Services Pty Ltd have provided taxation advice, the preparation of income tax returns, general administration services and other services for Pelsart in past financial years. We do not consider that this impacts on our independence in accordance with the requirements of Regulatory Guide 112 'Independence of Experts'. We have completed a conflict search of BDO affiliated organisations within Australia. This conflict search incorporates all Partners, Directors and Managers of BDO affiliated organisations. We are not aware of any circumstances that, in our view, would constitute a conflict of interest or would impair our ability to provide objective assistance in this matter. Fees received over the last two years up to the date of our Report totalled \$66,000 for BDO Corporate Tax (WA) and \$6,000 for BDO Services Pty Ltd.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Pelsart for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. We are also committed to meeting your needs and maintaining a high level of client satisfaction. If you are unsatisfied with a service we have provided you, we have avenues available to you for the investigation and resolution of any complaint you may have.

To make a formal complaint, please use the Complaints Form. For more on this, including the Complaints Form and contact details, see the [BDO Complaints Policy](#) available on our website.

When we receive a complaint we will record the complaint, acknowledge receipt of the complaint in writing within 1 business day or, if the timeline cannot be met, then as soon as practicable and investigate the issues raised. As soon as practical, and not more than 30 days after receiving the complaint, we will advise the complainant in writing of our determination.

Compensation arrangements

BDO Corporate Finance and its related entities hold Professional Indemnity insurance for the purpose of compensating retail clients for loss or damage suffered because of breaches of relevant obligations by BDO Corporate Finance or its representatives under Chapter 7 of the Corporations Act 2001. These arrangements and the level of cover held by BDO Corporate Finance satisfy the requirements of section 912B of the Corporations Act 2001.

Referral to External Dispute Resolution Scheme

We are a member of the Australian Financial Complaints Authority (AFCA) which is an External Dispute Resolution Scheme. Our AFCA Membership Number is 12561. Where you are unsatisfied with the resolution reached through our Internal Dispute Resolution process, you may escalate this complaint to AFCA using the below contact details:

Mail:	GPO Box 3, Melbourne, VIC 3001
Free call:	1800 931 678
Website:	www.afca.org.au
Email:	info@afca.org.au
Interpreter Service:	131 450

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Appendix 1 - Glossary and copyright notice

Appendix 2 - Valuation methodologies

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Appendix 5 - Technical Specialist Report by VRM

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19 June 2024

The Directors
Pelsart Resources N.L.
Ground Floor, 849 Wellington St
West Perth WA 6005

Dear Directors,

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 15 March 2024, Pelsart Resources N.L. ('Pelsart' or 'the Company') and Sanfield Holdings Limited ('Sanfield') entered into a Scheme Implementation Deed ('SID') in which it was proposed that Sanfield would acquire the entire issued capital of Pelsart that it does not already own, by way of a scheme of arrangement ('Scheme'). Under the Scheme, Pelsart shareholders, excluding Sanfield ('Shareholders'), will receive a cash consideration of \$0.035 for each Pelsart share held ('Scheme Consideration').

Upon implementation of the Scheme, Sanfield would increase its ownership in Pelsart from 92.91% to 100%, by acquiring the remaining 7.09% of shares held by Shareholders. Therefore, Pelsart would become a wholly owned subsidiary of Sanfield.

Currencies in this report are quoted in Australian Dollars ('\$' or 'A\$' or 'AUD'), unless otherwise stated.

2. Summary and opinion

2.1 Requirement for the report

The independent directors of Pelsart ('Directors') have requested that BDO Corporate Finance (WA) Pty Ltd ('BDO') prepare an independent expert's report ('our Report') to express an opinion as to whether the Scheme is in the best interests of the Shareholders of Pelsart.

Our Report is prepared pursuant to section 411 of the Corporations Act 2001 ('Corporations Act' or 'the Act') and is to be included in the Scheme Booklet prepared by the Directors of Pelsart in order to assist the Shareholders in their decision whether to approve the Scheme.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission ('ASIC') Regulatory Guides 60 'Schemes of Arrangements' ('RG 60'), Regulatory Guide 111 'Content of Expert's Reports' ('RG 111') and Regulatory Guide 112 'Independence of Experts' ('RG 112').

In arriving at our opinion, we have assessed the terms of the Scheme as outlined in the body of this report. We have considered:

- How the value of a Pelsart share prior to the implementation of the Scheme on a controlling interest basis compares to the value of the Scheme Consideration;
- The likelihood of an alternative offer being made to Pelsart;
- Other factors which we consider to be relevant to the Shareholders in their assessment of the Scheme; and
- The position of Shareholders should the Scheme not proceed.

2.3 Opinion

We have considered the terms of the Scheme as outlined in the body of this report and have concluded that, in the absence of an alternative offer, the Scheme is fair and reasonable for Shareholders. Therefore, in the absence of a superior proposal, we consider the Scheme to be in the best interests of Shareholders.

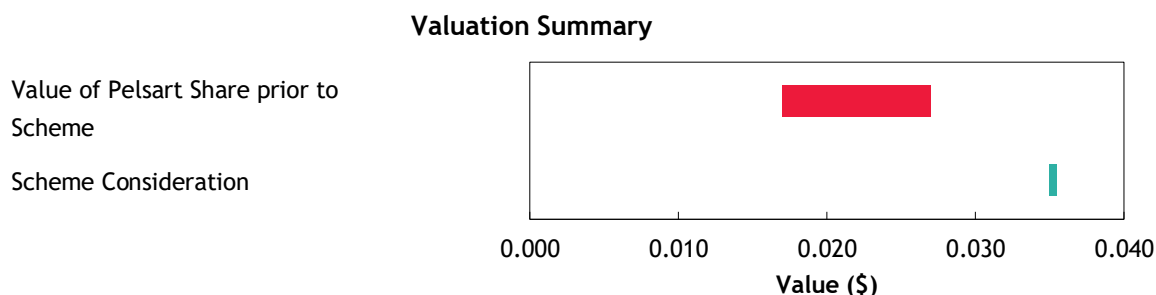
2.4 Fairness

In Section 12 we determined that the value of a Pelsart share prior to the Scheme, on a controlling interest basis, compares to the value of the Scheme Consideration, as detailed below.

	Ref	Low \$	Preferred \$	High \$
Value of a Pelsart share prior to the Scheme on a controlling interest basis	10	0.017	0.022	0.027
Value of the Scheme Consideration	11	0.035	0.035	0.035

Source: BDO analysis

The above valuation ranges are graphically presented below:



The above pricing indicates that, in the absence of any other relevant information, and a superior offer, the Scheme is fair for Shareholders.

2.5 Reasonableness

We have considered the analysis in Section 13 of this report, in terms of both

- advantages and disadvantages of the Scheme; and
- other considerations, including the consequences of not approving the Scheme.

In our opinion, the position of Shareholders if the Scheme is approved is more advantageous than the position if the Scheme is not approved. Accordingly, in the absence of any other relevant information and/or an alternate proposal we consider that the Scheme is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
13.3.1	The Scheme is fair	13.4.1	Shareholders will be unable to participate in the potential upside of the Company's operations
13.3.2	Shareholders obtain cash under the Scheme	13.4.2	Shareholders will forgo the opportunity to receive any potential future dividends
13.3.3	Shareholders risk future dilution from funding arrangements for Pelsart Tambang Kencana (PTK) should the Scheme not proceed		
13.3.4	Shareholders will no longer be exposed to risks associated with being a Shareholder of Pelsart		
13.3.5	No brokerage or stamp duty payable		

Other key matters we have considered include:

Section	Description
13.1	Alternative proposal
13.2	Consequences of not approving the Scheme

3. Scope of the Report

3.1 Purpose of the Report

The Scheme is to be implemented pursuant to section 411 of the Corporations Act. Part 3 of Schedule 8 to the Corporations Act Regulations 2001 (**‘Regulations’**) prescribes the information to be sent to shareholders in relation to schemes of arrangement pursuant to section 411 of the Act (**‘Section 411’**).

An independent expert’s report must be obtained by a scheme company if:

- There is one or more common directors; or
- The other party to the scheme holds 30% or more of the voting shares in the scheme company.

The expert must be independent and must state whether or not, in his or her opinion, the proposed scheme is in the best interests of the members of the company the subject of the scheme and set out the reasons for that opinion.

Sanfield currently holds more than 30% of the issued capital in Pelsart. In addition, Pelsart and Sanfield have two common directors. Accordingly, there is a requirement for this Report pursuant to Section 411, to provide an opinion as to whether the Scheme is fair and reasonable and in the best interests of Shareholders. Additionally, the requirement for an independent expert’s report is also a condition precedent to the Scheme, which states that, for the Scheme to proceed, the independent expert must conclude that the Scheme is in the best interests of Shareholders.

3.2 Regulatory guidance

Neither the Act nor the Regulations defines the term ‘in the best interests of’. In determining whether the Scheme is in the best interests of Shareholders, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

A key matter under RG 111 that an expert needs to consider when determining the appropriate form of analysis is whether or not the effect of the transaction is comparable to a takeover bid and is therefore representative of a change of ‘control’ transaction.

In the circumstance of a scheme that achieves the same outcome as a takeover bid, RG 111 suggests that the form of the analysis undertaken by the independent expert should be substantially the same as for a takeover. Independent expert reports required under the Act in the circumstance of a takeover are required to provide an opinion as to whether or not the takeover bid is ‘fair and reasonable’. While there is no definition of ‘fair and reasonable’, RG 111 provides some guidance as to how the terms should be interpreted in a range of circumstances.

RG 111 suggests that an opinion as to whether transactions are fair and reasonable should focus on the purpose and outcome of the transaction, that is, the substance of the transaction rather than the legal mechanism to effect the transaction.

Schemes of arrangement pursuant to Section 411 can encompass a wide range of transactions. Accordingly, ‘in the best interests’ must be capable of a broad interpretation to meet the particular circumstances of each transaction. This involves a judgment on the part of the expert as to the overall commercial effect of the transaction, the circumstances that have led to the transaction and the alternatives available. The expert must weigh up the advantages and disadvantages of the proposed transaction and form an overall view as to whether shareholders are likely to be better off if the proposed transaction is implemented than if it is not. This assessment is the same as that required for a ‘fair and

reasonable' assessment in the case of a takeover. If the expert would conclude that a proposal was 'fair and reasonable'; if it was in the form of a takeover bid, the expert will also be able to conclude that the scheme is in the best interests of shareholders. An opinion of 'in the best interests' does not imply the best possible outcome for shareholders.

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is equal to or greater than the value of the securities subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

Having regard to the above, BDO has completed this comparison in three parts:

- A comparison between the value of a Pelsart share including a premium for control, and the value of the Scheme Consideration (fairness - see Section 12 'Is the Scheme Fair?');
- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the Scheme, after reference to the value derived above (reasonableness - see Section 13 'Is the Scheme Reasonable?'); and
- A consideration of whether the Scheme is in the best interests of Shareholders.

RG 111 states that if a transaction is fair and reasonable then the expert can conclude that the transaction is in the best interests of shareholders; if a transaction is not fair but reasonable an expert can still conclude that the transaction is in the best interests of shareholders; if a transaction is neither fair nor reasonable then the expert would conclude that the transaction is not in the best interests of shareholders.

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').

A Valuation Engagement is defined by APES 225 as follows:

'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. Outline of the Scheme

On 15 March 2024, Pelsart and Sanfield entered into a Scheme Implementation Deed in which it was proposed that Sanfield would acquire the entire issued capital of Pelsart that it does not already own, by way of a scheme of arrangement. Under the terms of the Scheme, Pelsart shareholders will receive the Scheme Consideration, being a cash consideration of \$0.035 for each Pelsart share held.

Communication of the Scheme to the Shareholders of Pelsart was done through a letter to Shareholders dated 15 March 2024.

The Scheme is subject to certain conditions precedent that must be satisfied or waived in order for the Scheme to become effective, as set out below:

- The Scheme being approved by Pelsart Shareholders at the Scheme meeting;
- ASIC approval for the implementation of the Scheme;
- All required Regulatory Authority approvals, consents and waivers being obtained for the implementation of the Scheme;
- No Pelsart prescribed occurrence occurring as outlined in the Scheme Booklet;
- No material legal restraint or prohibition being in effect that would prevent or delay the Scheme;
- The Independent Expert issuing a report which concludes that the Scheme is in the best interests of Shareholders; and
- The Scheme being approved by the Court.

If the Scheme is approved and implemented, Sanfield would increase its ownership of Pelsart from 92.91% to 100%, by acquiring the remaining 7.09% of shares held by Shareholders. Therefore, Pelsart would become a wholly owned subsidiary of Sanfield.

5. Profile of Pelsart Resources N.L.

5.1 History

Pelsart is a public unlisted exploration and development Company focusing on achieving gold production in Kalimantan, Indonesia. Through its 70% interest in PT. Pelsart Tambang Kencana ('PTK'), the Company owns its flagship assets, the Timburu and Kusan projects, known as the Contract of Work ('CoW'), which are operated jointly with the Indonesian Government.

Pelsart also owns a petroleum royalty interest ('Bridgeport Royalty') in Bridgeport Energy Limited's ('Bridgeport') oil and gas tenement located in the Cooper Basin, across Queensland and South Australia. Bridgeport is a wholly owned subsidiary of New Hope Corporation Limited ('New Hope'). The Bridgeport Royalty is equivalent to 5% of the royalty payable by Bridgeport to the Queensland Office of State Revenue.

Furthermore, Pelsart, through its wholly owned subsidiary Pelsart Kasongan Pty Ltd ('PKP'), owns a 9% interest in PT. Kasongan Bumi Kencana ('KBK'). KBK's sole asset is a mined-out area that holds a CoW for mineral exploration.

The Company was incorporated in 1990 in Western Australia ('WA') and was previously listed on the Australian Securities Exchange ('ASX') until its de-listing in 2008. Pelsart is headquartered in West Perth, WA.

The current Board of Directors of Pelsart comprise:

- Enk Ee Tan - Director and Chairman;
- Sean Gustav Standish Hughes - Director;
- Richard Teng Beng Tan - Independent Director; and
- James Kok Choon Chan - Independent Director.

We note that Sean Hughes and Enk Ee Tan are also directors of Sanfield.

5.2 PTK (70% interest)

PTK is 70% owned by Pelsart, 51% through Tambang Kencana Singapore PTE. Ltd. ('TKS'), which is wholly owned by Australian subsidiary Pelsart International N.L. ('PI') and a further 19% owned directly through PI. The remaining 30% interest is owned equally by PT Aneka Tambang Tbk (ANTAM) and PT Aurora Kirana, with 15% interest each.

The defined mineral resource estimate ('MRE') for PTK is primarily sourced from the Timburu (the main focus for PTK) ('Timburu Project') and the Kusan ('Kusan Project') exploration blocks within the project's CoW. Based on an independent report dated October 2023, the Komite Cadangan Mineral Indonesia ('KCMi') compliant mineral resource estimate ('MRE') at Timburu is an indicated and inferred 36.1 million tonnes ('Mt') at an average grade of 1.4 grams per tonne ('g/t') of gold and 3.0 g/t silver for approximately 1.64 million ounces ('oz') of gold. The KCMi compliant MRE at the Kusan prospect is 12.0 Mt at an average grade of 1.7 g/t of gold for approximately 600,000 oz. The optimised pit has yielded PTK probable ore reserve of 11.2 Mt at an average grade of 2.0 g/t of gold and 3.5 g/t of silver with an approximate reserve of 753,000 oz of gold.

The full details of the MRE for PTK and Pelsart's other projects can be found in the Independent Technical Specialist Report ('Technical Specialist Report') prepared by Valuation and Resource Management Pty Ltd ('VRM').

PTK was granted Work Area Designation approval for the Timburu Project in May 2022. Under this permit, PTK constructed 13 kilometres of road access from Banian to the mine work and plant site areas, and built infrastructure including offices, a warehouse, a workshop, and camps in the area.

In June 2022, PTK completed a front-end engineering design ('FEED') for its gold processing plant and subsequently completed a detailed engineering design in October 2023.

In September 2023, a contract with Yantai Jinpeng (China) for the supply and installation of equipment for the processing plant was signed at a value of United States Dollars ('US\$' or 'USD') 38.7 million. In addition, two mills, the SAG mill and Ball mill, were purchased from Metso Outotec (China) at a cost of US\$8.2 million.

Delivery of the fabrication process and other components such as the tank agitators was initially targeted for completion in mid to late 2024.

PTK has been exploring to increase its mineral resource and reserve estimate by conducting airborne geomagnetic surveys, drilling and other exploration activities. The exploration area covers the area from previous exploration activities by previous operator as well as in the brown field within the CoW, especially in the Timburu block.

According to Section 5.2 of the Scheme Booklet, the Directors estimate that an additional US\$202 million over the next three years will be required to convert the PTK's Timburu Project into a producing mine. Further details on PTK and the CoW are outlined in Appendix 5.

5.3 Bridgeport Royalty Interest

Pelsart owns the Bridgeport Royalty, a royalty interest in a project owned by Bridgeport, located in the Cooper Basin in Queensland and South Australia. This royalty interest is equivalent to 5% of the royalty payable by Bridgeport to The Queensland Office of State Revenue ('QOSR'). The amount payable to QOSR is dependent on production of liquid petroleum for the quarter and the benchmark price set by QOSR, which is derived from the Europe Brent Spot Price Free on Board ('FOB') per barrel ('\$/bbl'). Pelsart receives a payment valued at 5% of this amount.

We note that the Bridgeport Royalty interest makes up Pelsart's sole income stream for the previous three years.

5.4 PT. Kasongan Bumi Kencana (9% interest)

Pelsart owns a 9% interest in KBK through its wholly owned subsidiary, PKP. KBK owns a formerly operating gold mine, the Mirah Gold Mine, in the Central Kalimantan district of Indonesia. KBK is no longer an operational focus for Pelsart as operations have completed and there are no longer residual resources in the project.

Pelsart reduced its shareholding in KBK from 45% in December 2020 to 9% after the Company divested 36% of its shares in KBK.

5.5 Historical statement of financial position

Statement of Financial Position	Audited as at 31-Dec-23	Audited as at 31-Dec-22	Audited as at 31-Dec-21
	\$	\$	\$
CURRENT ASSETS			
Cash and cash equivalents	1,629,454	1,156,379	2,308,742
Trade and other receivables	42,655	25,932	6,622,183
Inventories	942,552	406,815	583,125
Other assets	4,130,288	2,419,800	627,676
TOTAL CURRENT ASSETS	6,744,949	4,008,926	10,141,726
NON-CURRENT ASSETS			
Investment in other financial asset	2,390,255	3,067,157	3,220,036
Right-of-use assets	988,000	248,349	-
TOTAL NON-CURRENT ASSETS	3,378,255	3,315,506	3,220,036
TOTAL ASSETS	10,123,204	7,324,432	13,361,762
CURRENT LIABILITIES			
Trade and other payables	6,977,387	2,686,743	659,944
Borrowings	48,788,504	36,266,821	17,352,701
Lease liabilities	592,991	86,362	-
Current maturities of long-term bank loan	277,656	-	-
TOTAL CURRENT LIABILITIES	56,636,538	39,039,926	18,012,645
NON-CURRENT LIABILITIES			
Lease liabilities	590,253	131,148	-
Long-term bank loan	446,750	-	-
Employee benefits obligations	2,268,208	2,079,039	1,115,735
Other non-current liabilities	41,343,089	39,320	-
TOTAL NON-CURRENT LIABILITIES	44,648,300	2,249,507	1,115,735
TOTAL LIABILITIES	101,284,838	41,289,433	19,128,380
NET LIABILITIES	(91,161,634)	(33,965,001)	(5,766,618)
EQUITY			
Issued capital	87,712,103	87,712,103	87,712,103
Foreign currency reserves	(195,639)	(365,254)	210,900
Accumulated losses	(152,518,290)	(112,045,796)	(92,673,770)
Equity attributable by the owners of Pelsart Resources N.L.	(65,001,826)	(24,698,947)	(4,750,767)
Non-controlling interest	(26,159,808)	(9,266,054)	(1,015,851)
TOTAL EQUITY	(91,161,634)	(33,965,001)	(5,766,618)

Source: Pelsart's audited financial statements for the years ended 31 December 2021, 31 December 2022 and 31 December 2023.

Commentary on historical statement of financial position

- PTK (which is 70% owned by Pelsart) has been determined to be a controlled entity of Pelsart and hence PTK's financial information is consolidated within the financial statements above. We note the non-controlling interest relates to the 30% interest in PTK which Pelsart does not own.
- Cash and cash equivalents decreased from \$2.31 million as at 31 December 2021 to \$1.16 million as at 31 December 2022. The decrease of \$1.15 million was primarily due to \$25.92 million in exploration expenditure, partially offset by \$20.33 million in proceeds from borrowings.

- Cash and cash equivalents subsequently increased from \$1.16 million as at 31 December 2022 to \$1.63 million as at 31 December 2023. This increase of \$0.47 million was primarily due to \$57.88 million in proceeds from borrowings, partially offset by \$52.63 million in exploration expenditure.
- Trade and other receivables decreased from \$6.62 million as at 31 December 2021 to \$0.03 million as at 31 December 2022. This was primarily due to an advance of \$6.61 million from PTK to PTK's sister company, PT Indo Muro Kencana ('IMK'), which was fully repaid during January 2022. We note IMK is a related party of Pelsart.
- Inventories of \$0.94 million as at 31 December 2023 comprise of \$0.69 million of spare parts, fuel and lubricants and \$0.25 million of goods in transit.
- Other assets of \$4.13 million as at 31 December 2023 comprised of \$2.96 million in prepaid tax and \$1.05 million in other advances.
- Investment in other financial asset relates to Pelsart's investment in KBK, which decreased from \$3.07 million as at 31 December 2022 to \$2.40 million as at 31 December 2023 due to the recognition of an impairment loss of \$0.68 million in the year ended 31 December 2023.
- Right-of-use assets of \$0.99 million as at 31 December 2023 comprise heavy equipment and vehicles of \$1.73 million, offset by accumulated depreciation of \$0.74 million.
- Trade and other payables increased from \$2.69 million as at 31 December 2022 to \$6.98 million as at 31 December 2023. This increase was primarily due to other creditors and accruals of \$6.62 million.
- We have presented a summary of Pelsart's loans and borrowings as at 31 December 2021, 2022 and 2023 in the table below:

	Audited as at 31-Dec-23 \$	Audited as at 31-Dec-22 \$	Audited as at 31-Dec-21 \$
Borrowings			
Unsecured loans payable to other companies	958,911	2,220,721	7,505,512
Unsecured shareholder loan from Sanfield	986,928	536,651	200,000
Secured short-term bank loans from Bank Ganesha	46,842,665	33,509,449	9,647,189
Total borrowings	48,788,504	36,266,821	17,352,701
Current maturities of long-term bank loan			
Secured long-term bank loan from Bank Ganesha loan	277,656	-	-
Total current maturities of long-term bank loan	277,656	-	-
Long-term bank loan			
Secured non-current maturities from Bank Ganesha loan	446,750	-	-
Total long-term bank loan	446,750	-	-
Other non-current liabilities*			
Loan received from PT Indo Muro Kencana	41,253,561	-	-
	41,253,561	-	-
Grand total of borrowings	90,766,471	36,266,821	17,352,701

*The remaining balance of other non-current liabilities relates to deferred gains, which amount to \$89,528 and \$39,320 for the periods ending 31 December 2023 and 31 December 2022, respectively.

- Borrowings increased from \$17.35 million as at 31 December 2021 to \$36.27 million as at 31 December 2022. This was primarily due to multiple short-term loans obtained from Bank Ganesha. Borrowings subsequently increased from \$36.27 million as at 31 December

2022 to \$48.79 million as at 31 December 2023. This again is primarily to increased debt financing obtained from Bank Ganesha.

- Other non-current liabilities as at 31 December 2023 primarily comprises of a loan received from related company PT Indo Muro Kencana for \$41.26 million.
- Employee benefits obligations relate to post-employment benefits provided to the employees of Pelsart's subsidiary in accordance with the applicable Labor Law in Indonesia. The number of employees entitled to the benefit was 160 at December 2023. The cost of providing employee benefits has been calculated as present value by independent actuarial consultants.

5.6 Historical statement of profit or loss and other comprehensive income

Statement of Profit or Loss and Other Comprehensive Income	Audited for the year ended 31-Dec-23 \$	Audited for the year ended 31-Dec-22 \$	Audited for the year ended 31-Dec-21 \$
Revenue	67,297	71,962	39,202
Other income	109,817	223,219	2,101,440
Gross profit	177,114	295,181	2,140,642
Exploration expenditure	(52,634,056)	(25,916,470)	(4,664,930)
Employee benefit expenses	(2,013,271)	(2,356,262)	(1,484,012)
Other expenses	(1,202,164)	(407,423)	(2,939,875)
Finance costs	(1,580,051)	(206,064)	(70,160)
Loss before income tax	(57,252,428)	(28,591,038)	(7,018,335)
Income tax expense	-	(106,090)	-
Loss for the year from continuing operations	(57,252,428)	(28,697,128)	(7,018,335)
Other comprehensive income			
Foreign currency translation	55,795	498,745	476,687
Other comprehensive income for the year	55,795	498,745	476,687
Total comprehensive loss for the year attributable to members of the parent entity	(57,196,633)	(28,198,383)	(6,541,648)
Loss for year attributable to:			
Non-controlling interest	(16,779,934)	(9,325,102)	(2,753,916)
Owners of Pelsart Resources NL	(40,472,494)	(19,372,026)	(4,264,419)
	(57,252,428)	(28,697,128)	(7,018,335)
Total comprehensive income for the year is attributable to:			
Non-controlling interest	(16,893,754)	(8,250,203)	(1,858,576)
Owners of Pelsart Resources NL	(40,302,879)	(19,948,180)	(4,683,072)
Total comprehensive loss for the year, net of tax	(57,196,633)	(28,198,383)	(6,541,648)

Source: Pelsart's audited financial statements for the years ended 31 December 2021, 31 December 2022 and 31 December 2023.

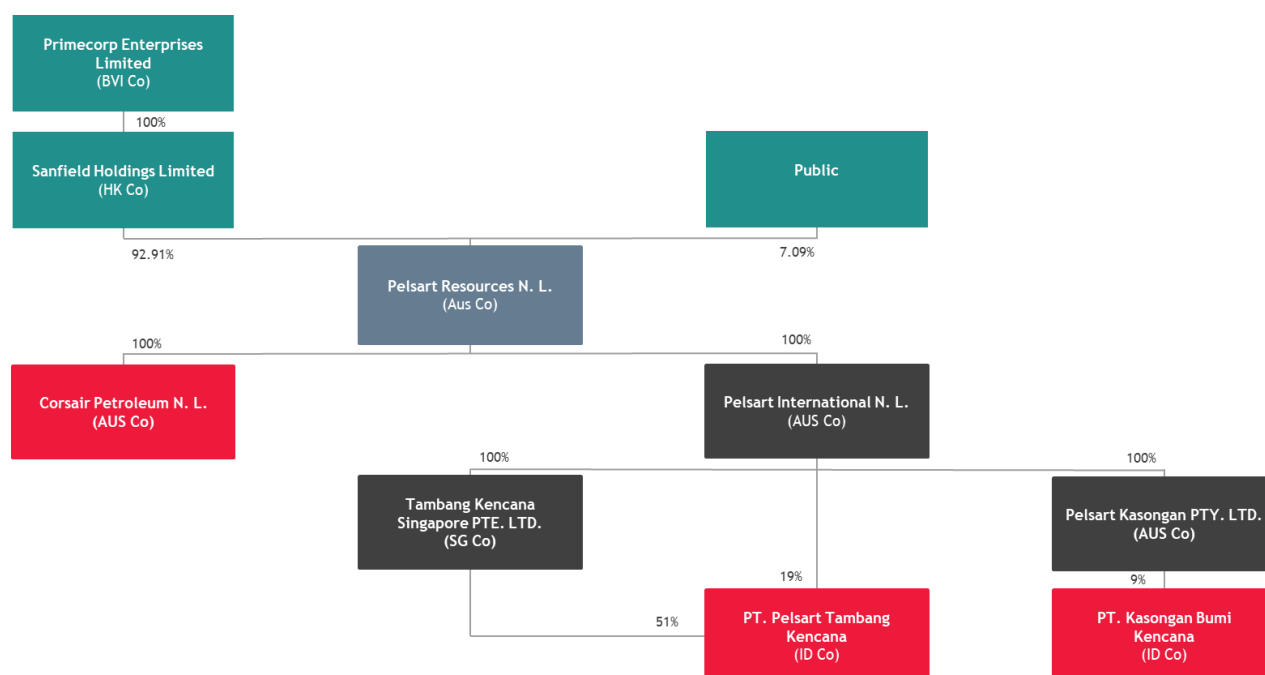
Commentary on historical statement of profit or loss and other comprehensive income

- Revenue over the period is solely attributable to Bridgeport Royalty revenue received by the Company, which averaged \$0.06 million over the three years.
- Other income of \$2.10 million for the year ended 31 December 2021 is solely attributable to dividend income.

- Other income of \$0.22 million for the year ended 31 December 2022 is made up of net unrealised foreign currency exchange gains of \$0.09 million and net realised foreign currency exchange gains of \$0.13 million.
- Similarly, other income of \$0.11 million for the year ended 31 December 2023 is made up of net unrealised foreign currency exchange gains of \$0.03 million and net realised foreign currency exchange gains of \$0.08 million.
- Other expenses of \$1.20 million as at 31 December 2023 comprised the aforementioned impairment loss on investment of \$0.68 million and other expenses of \$0.52 million.

5.7 Capital structure

The ownership structure of Pelsart is as outlined in the below chart:



We note the public ownership of Pelsart comprises a large number minority Shareholders, with the largest shareholder apart from Sanfield holding 1.11% of the issued capital in Pelsart.

As at the date of our Report, Pelsart holds 1,833,552,401 shares on issue and no outstanding options or performance rights.

6. Profile of Sanfield

6.1 History

Sanfield, a wholly owned subsidiary of Primecorp Enterprises Limited (**'Primecorp'**), is a company incorporated and registered in Hong Kong in 1998. Primecorp is a company registered in the British Virgin Islands.

Sanfield's purpose is to hold shares in Pelsart, provide financial assistance and support the Pelsart group when required. Sanfield has indicated it will provide funds should Pelsart have insufficient funds to meet its debt as and when they fall due. This is for the purpose of enabling the debts to be satisfied with the direct approval of the Sanfield board or is within established management authority.

The current Board of Directors of Sanfield comprise:

- Enk Ee Tan - Director;
- Michelle Liem Mei Fung - Director; and
- Sean Gustav Standish Hughes - Director.

We note that Sean Gustav Standish Hughes and Enk Ee Tan are also directors of Pelsart.

Sanfield's intentions regarding Pelsart if the Scheme is implemented (as outlined in Section [x] of the Scheme Booklet) are as follows:

- Sanfield intends to keep the current composition of the Pelsart Directors (the Pelsart Board of Directors is outlined in Section 5.1 of our Report);
- Sanfield does not intend to change the operation of Pelsart and its subsidiaries;
- Sanfield does not intend to change the employees of Pelsart and its subsidiaries; and
- Sanfield will retain Pelsart as an investment holding company.

7. Economic analysis

Pelsart, through its focus on developing mineral assets in Indonesia, is primarily exposed to the risks and opportunities of the Indonesian market through the geographical location of its major projects in Indonesia. As such, we have presented an analysis on the Indonesian economy to the extent that it relates to considerations for our assessment.

7.1 Indonesia

Bank Indonesia (the central bank of Indonesia) ('BI') in its March 2024 monthly BI Board of Governors Meeting decided to keep its central bank interest rate ('BI rate') at 6.0%. The BI Board stated that its decision is part of its pro-stability monetary policy, aiming to strengthen the Indonesian Rupiah ('INR') and a forward-looking measure to manage inflation. BI also held a macroprudential policy stance to revive bank lending and accelerate payment system digitalisation in order to increase transaction volumes. These decisions were part of an ongoing response to the increased inflationary pressures and the subdued economic activity experienced following the pandemic as well as the economic and political uncertainty caused by international conflicts.

BI is projecting global economic growth to be 3.0% in 2024 noting that China was experiencing a slowed-down response within their economy despite a slight economic improvement encouraged by increased government spending. Contrarily, economic growth remained strong in the US, with prominent household consumption and investment. The US has experienced an increase in treasury bond yields, with inflation in advanced economies remaining above target. This has led to broad-based US dollar appreciation, while impacting foreign capital inflows and intensifying currency pressures in emerging market economies. Such conditions demand a strong policy response to mitigate the adverse impact of global spillovers.

CPI inflation in February 2024 was recorded at 2.75% year-on-year, down from the 5.51% year-on-year in the year prior, thus obtaining the targeted CPI inflation rate of $3.0\% \pm 1\%$. BI stated that it will continue to strengthen their monetary policy in 2024 to allow inflation to remain within the target range of $2.5\% \pm 1\%$.

The current account outlook for the first quarter of 2024 was impacted by a narrower surplus in the goods trade balance. In February 2024, the trade balance amassed a US\$0.9 billion surplus, down from US\$2.0 billion the month earlier. BI expects the capital and financial account surplus to persist on the back of foreign capital inflows given positive investor perception of the promising domestic economic outlook along with attractive yields on financial assets for investment. The position of reserve assets at the end of February 2024 remained high at US\$144.0 billion.

The INR remained relatively stable in March 2024 in line with BI stabilisation policy and sustained portfolio inflows, depreciating 2.02% from December 2023 to March 2024. BI's stabilisation policy and optimisation of the pro-market monetary operations strategy aims to further support the prospect of INR appreciation.

The Indonesia economy saw a 3.99 million increase in their total labour force from August 2022 to August 2023, with a 0.85% increase in labour force participation rate. Throughout the same period, the Indonesian economy saw a rise of total persons employed by 4.55 million, where the 'Accommodation and Food Services' industry saw the most growth at 1.18 million people respectively. Additionally, average wages for Indonesian employees rose by 3.5%. Furthermore, commuter workers in Indonesia decreased by 0.69 million, while the amount of the labour force absorbed in informal activities rose by 0.2%. On the back of a growing labour force, Indonesia recorded a 0.36% increase and 0.82% decrease in underemployment and voluntary part-time employment respectively, while unemployment was reduced by 0.54%.

Economic growth in Indonesia is stable on the back of increasing domestic demand in the form of household consumption and investment, with BI predicting the yearly growth rate for 2024 to be 4.7-5.5%. Building investment exceeded the previous projection due to ongoing national strategic projects in several regions along with private property developments spurred by government incentives. Household consumption and non-building investment were maintained yet must be nurtured to sustain the national economic recovery. However, goods exports have an opportunity to improve given the weaker demand from Indonesia's main trading partner countries.

Source: <https://www.bi.go.id/> Statement from Governors Meeting dated 20 March 2024.

8. Industry analysis

Pelsart's primary focus is gold exploration and development in Indonesia, aiming for production in the near term. As such, we have presented an overview of gold industry, on the basis that this forms part of the considerations for our overall assessment.

8.1 Gold

Gold is a soft malleable metal which is highly desirable due to its rarity, permanence, and unique mineral properties. Gold has been used in jewellery and as a form of currency for thousands of years, however more recently, there has been increasing demand for its use in the manufacture of electronics, dentistry, medicine, and aerospace technology.

In addition to its practical applications, gold also serves as an international store of monetary value. Gold is widely regarded as a monetary asset as it is considered less volatile than world currencies and therefore provides a safe haven investment during periods of economic uncertainty.

The mining and mineral processing techniques applied to gold is determined by the nature of the ore deposit. Gold contained in oxide ore deposits are typically of low grade and are simple to extract and readily amenable by cyanidation. Consequently, highly disseminated gold can be contained within sulphide minerals which require mining, crushing, grinding and to be followed by gravity separation to recover the gold, subject to flotation to concentrate the sulphide mineral fraction containing the gold. Inherently, the costs associated with the treatment of oxide ore are significantly less than of sulphide ores.

Once mined, gold continues to exist indefinitely and is often melted down and recycled to produce alternative or replacement products. Consequently, demand for gold is supported by both gold ore mining and gold recycling. A summary of the recent historical supply of gold is provided in the table below:

Gold supply (tonnes)	2017	2018	2019	2020	2021	2022	2023
Mine production	3,576	3,656	3,596	3,482	3,589	3,625	3,644
Net producer hedging	(26)	(12)	6	(39)	(7)	(13)	17
Recycled gold	1,112	1,132	1,276	1,293	1,136	1,140	1,237
Total supply	4,662	4,776	4,878	4,736	4,718	4,752	4,899

Source: World Gold Council Statistics, 31 January 2024

The World Gold Council expects gold to remain supported with the development of new mines in North America, Asia and Australia scheduled for 2024. Heightened geopolitical tension during a key election year for many major economies and ongoing financial uncertainty from weakening global economic conditions should see gold experience persisting strong demand. Continued purchases by major central banks and concerns about a global recession is anticipated to offer further backing for the commodity. However, the

risk of tighter monetary policy or an economic soft landing, particularly concerning the United States economy, could result in gold divestment.

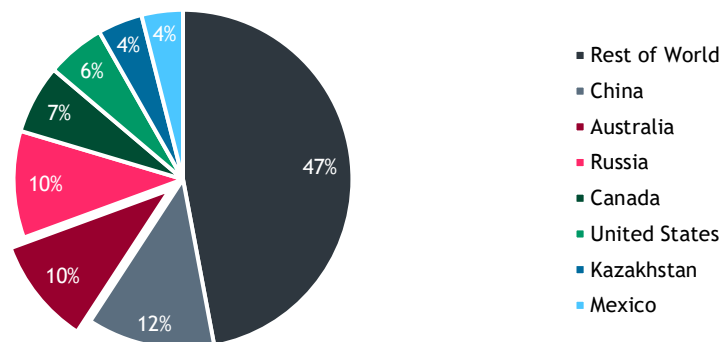
Gold ore mining is a capital intensive and high-cost process, which becomes increasingly difficult and more expensive as the quality of ore reserves diminish. The industry also incurs many indirect costs related to exploration, royalties, overheads, marketing and native title law. Typically, many of these costs are fixed in the short term as a result of industry operators' inability to significantly alter cost structures once a mine commences production.

The gold industry is geographically diverse as China, Australia and Russia lead global gold production. According to the United States Geological Survey ('USGS'), total estimated global gold ore mined for 2023 was approximately 3,000 metric tonnes. The charts below illustrate the estimated global gold production and reserves by country for 2023.

Gold production and reserves

The USGS estimates that overall global gold production in 2023 remained relatively unchanged from 2022 as production decreases in Peru and Mali were more than offset by production increases in Kazakhstan, South Africa and Tanzania.

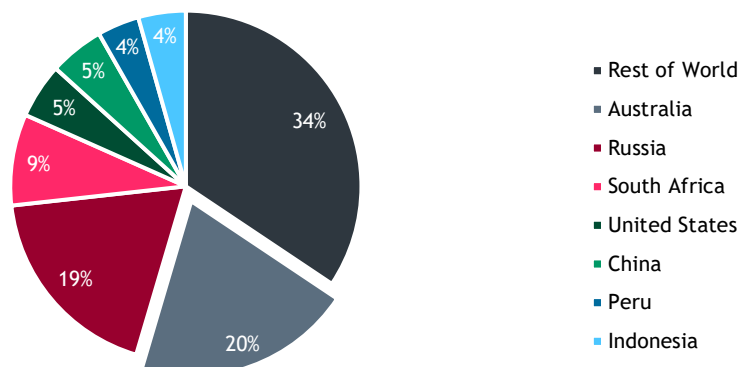
Gold Production by Country 2023



Source: U.S. Geological Survey, January 2024

Despite China leading global gold production in 2023, Australia, Russia and South Africa hold the largest known gold reserves globally. As depicted below, the USGS estimates that collectively, these three countries account for approximately 48% of global gold reserves.

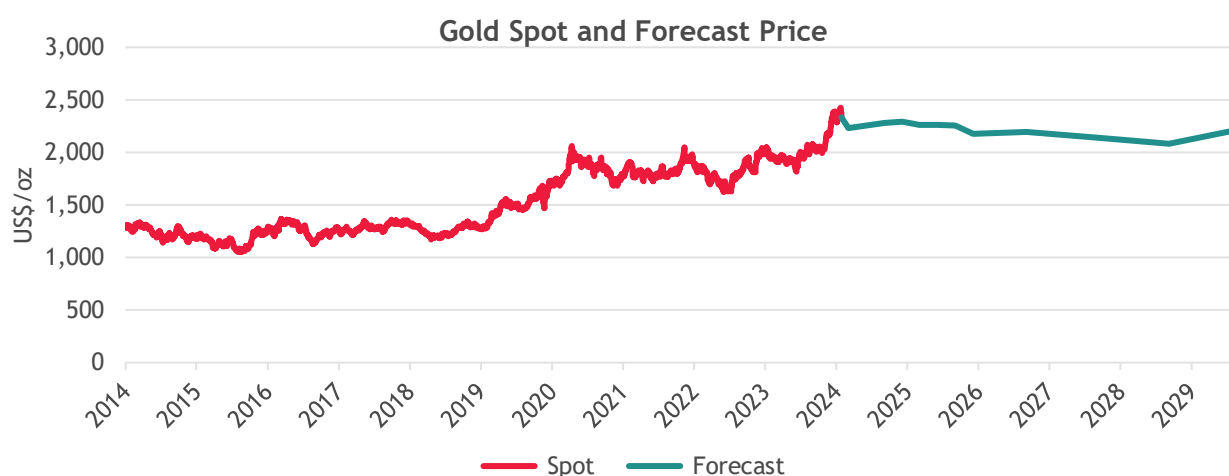
Gold Reserves by Country 2023



Source: U.S. Geological Survey, January 2024

According to USGS, Australia's gold reserves amount to 12,000 tonnes, representing over 20% of global reserves and the largest held by any one country.

Gold prices



Source: Bloomberg and Consensus Economics Survey dated 20 May 2024

The figure above illustrates the historical fluctuations in the gold spot prices from May 2014 to May 2024 and the consensus economics forecast for gold prices for 2024 through to 2033.

Over the period from 2014 through to 2019, the gold price fluctuated primarily between US\$1,100/oz and US\$1,400/oz. Throughout 2020, gold prices fluctuated significantly. Demand for gold increased in response to the uncertainty created by the pandemic, as investors prioritised safe haven assets. In late March 2020, the increasing demand for gold was interrupted by a panic selloff as investors began to realise their profits amidst growing uncertainty. Gold spot prices fell to a yearly low of US\$1,471/oz, before rallying in late July and early August to exceed US\$2,000/oz. The COVID crisis was the primary driver of the increase in gold price, as central banks injected billions of dollars into financial markets and investors flocked to safe asset. Additionally, the prevailing low interest rate environment at the time increased access to capital, which further spurred investment in gold.

Through to early January 2021, the price of gold increased as a result of further fallout from the US Election, climbing back over US\$1,900/oz after remaining in the US\$1,800s/oz through most of December 2020. For the rest of 2021, the price of gold traded between US\$1,600/oz and US\$1,900/oz as demand fluctuated throughout the year. Rising US treasury yields initially threatened gold's appeal as an inflation hedge by increasing the opportunity cost of holding the precious metal. However, concerns regarding the spread of COVID-19 (Delta variant) increased gold's safe haven appeal, and subsequently, the price of gold climbed back above the US\$1,800/oz mark in early July 2021. This was quickly reversed in the following months as the US Federal Reserve signalled policy tightening sooner than anticipated which drove US treasury yields and a stronger US dollar. Towards the end of the year, gold prices significantly strengthened following the US Federal Reserve's announcement to reduce purchases of Government bonds and the release of US inflation data which revealed an annualised inflation rate of 6.2%, its highest level since 1990.

The invasion of Ukraine by Russia in February 2022 saw gold prices climb above US\$1,900/oz and peak at US\$2,039/oz during March, in response to several economic sanctions on Russia and the release of US inflation data which indicated an annualised inflation rate of 8.5%. In May 2022, the price of gold weakened to US\$1,800/oz following the US Federal Reserve's aggressive monetary tightening to control rising inflation. The gold price continued to decline until September 2022, before it staged a recovery driven by a combination of slowing US inflation, depreciation of the US dollar, and increased gold demand by central banks for reserve diversification.

The first quarter of 2023 witnessed several financial institutions, such as the Credit Suisse Group AG and the Silicon Valley Bank, face severe liquidity and investor confidence issues which were supportive factors for the price of gold. Early April 2023 saw gold prices surpass US\$2,000/oz as investors speculated a nearing of the end of interest rate tightening in the US.

During the months of January and February 2024, gold continued to largely trade above US\$2,000/oz, however, since March 2024 the gold price has seen a steep incline, and it achieved an all-time high in April, exceeding US\$2,400/oz. This can be attributed to several factors including geopolitical instability particularly from the wars between Israel and Hamas and Russia and Ukraine. The increased viability of gold as a safe haven asset during times of conflict, as a hedge against current inflation, on top of emerging market central banks continuing to purchase gold to diversify from the US dollar and US bonds, have all contributed to the price hike.

Consensus Economics forecasts the price of gold to exhibit a broadly declining trend over the current period to the end of 2028, but still remains high compared to historical price levels. According to Consensus Economics, the medium-term forecast gold price from 2026 to 2028 is expected to range between US\$2,083/oz and US\$2,196/oz, with the long term (2029-2033) nominal forecast at approximately US\$2,221/oz.

Source: Bloomberg, Consensus Economics, IBISWorld, World Gold Council and Reuters

9. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('FME')
- Discounted cash flow ('DCF')
- Quoted market price basis ('QMP')
- Net asset value ('NAV')
- Market based assessment (such as resource multiple)

A summary of each of these methodologies is outlined in Appendix 2.

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information.

It is possible for a combination of different methodologies to be used together to determine an overall value where separate assets and liabilities are valued using different methodologies. When such a combination of methodologies is used, it is referred to as a 'sum-of-parts' ('Sum-of-Parts') valuation.

The approach using the Sum-of-Parts involves separately valuing each asset and liability of the company. The value of each asset may be determined using different methods as described above. The component parts are then valued using the NAV methodology, which involves aggregating the estimated fair market value of each individual company's assets and liabilities.

9.1 Valuation of a Pelsart share prior to the Scheme

In our assessment of the value of a Pelsart share prior to the Scheme, we have chosen to employ the Sum-of-Parts methodology, which estimates the fair market value of a company by assessing the realisable value of its identifiable assets and liabilities. The value of each asset and liability may be determined using different methods and the component parts are then aggregated using the NAV methodology. The value derived from this methodology reflects a controlling interest value.

We have chosen the Sum-of-Parts methodology to value Pelsart for the reasons set out below:

- The core value of Pelsart lies in the future cash flows to be generated from its interest in PTK, which holds the Timburu and Kusan projects. These cash flows are most appropriately valued using a DCF approach, however there are other assets and liabilities of Pelsart that are not suited to a DCF valuation approach. Where different approaches are used to value different assets or components of a business, a Sum-of-Parts approach is the most appropriate valuation methodology to employ. Based on PTK having a defined level of KCMI compliant Ore Reserves and our discussions with VRM, an independent technical specialist, we consider there to be sufficient reasonable grounds for a DCF valuation of the Timburu Project, with Kusan being valued separately using a geoscientific (Kilburn) asset valuation methodology. We note we have also considered a cross-check valuation methodology for Timburu Project, based on a comparable transactions valuation methodology undertaken by VRM;
- The Sum-of-Parts approach includes a component relating to the Bridgeport Royalty. The value of the Bridgeport Royalty lies in the future stream of royalty payments generated from the sale of liquid petroleum from the Cooper Basin. These cash flows are most appropriately valued using the DCF valuation approach. Further, given that the Cooper Basin Project is a finite life asset and is economically viable based on the forecast cash flows, we consider the DCF approach to be the most appropriate valuation methodology. We note the management of Pelsart has provided us with a production forecast for the Cooper Basin Project;

- The value of Pelsart's interest in KBK valued using a geoscientific (Kilburn) approach by VRM, as contained in the Independent Technical Specialist Report Technical Specialist Report in Appendix 5.;
- The FME methodology is most commonly applicable to profitable businesses with steady growth histories and forecasts. The cash flows from the Kusan and Timburu projects have a finite life and these cash flows may vary substantially from year to year, therefore, the FME methodology is not considered appropriate for valuing the Kusan and Timburu projects; and
- Pelsart is unlisted and has not undertaken a substantial capital raise over the last two years. Therefore, we consider there to be no quoted market prices or capital raising prices for which a QMP or market-based assessment can be derived. Therefore, we have not applied these methods as a secondary valuation methodology to our Sum-of-Parts assessment.

Therefore, we consider the Sum-of-Parts approach to be an appropriate methodology to use in assessing the value of a Pelsart share prior to the Scheme.

In summary, we have employed the Sum-of-Parts methodology in estimating the fair market value of Pelsart prior to the implementation of the Scheme by aggregating the estimated fair market values of its underlying assets and liabilities, having consideration to the following:

- Value of Pelsart's interest in PTK, applying the DCF methodology to the Timburu Project with a secondary cross check applying the comparable transactions asset valuation methodology, as well as the geoscientific (Kilburn) asset valuation methodology to the Kusan Project;
- The value of the Bridgeport Royalty, applying the DCF methodology;
- Value of Pelsart's 9% interest in KBK, having reliance on the valuation performed by VRM using the geoscientific (Kilburn) asset valuation methodology and applying the NAV method;
- Value of Pelsart's other assets and liabilities, adjusting to fair market value under the NAV methodology; and
- Transaction costs incurred as part of the Scheme process borne by Pelsart if the Scheme is not successfully implemented.

Technical Expert

In performing our valuation of Pelsart's mineral assets, we have relied on VRM to provide a Technical Specialist Report, which includes a review of the technical project assumptions contained in the cash flow models underpinning the DCF valuation of PTK's Timburu Project and a comparable transactions based valuation of the Timburu Project as a cross-check, as well as the geoscientific mineral asset value of the Kusan Project, KBK and residual resources and exploration potential not included in the DCF valuation.

The Technical Specialist Report has been prepared in accordance with the VALMIN Code and the JORC Code. We are satisfied with the valuation methodologies adopted by VRM which we believe are in accordance with industry practice and compliant with the requirements of the VALMIN Code. The specific valuation methodologies used by VRM are referred to in the respective sections of our Report and in further detail in the Technical Specialist Report contained in Appendix 5.

9.2 Valuation of the Scheme Consideration

As detailed in Section 4 of our Report, the Scheme Consideration comprises \$0.035 cash for every Pelsart share. Therefore, the value of the Scheme Consideration is \$0.035 per Pelsart share and no valuation methodology is required.

10. Valuation of Pelsart prior to the Scheme

10.1 Sum-of-Parts valuation of Pelsart

We have employed the Sum-of-Parts methodology in estimating the fair market value of a Pelsart share on a controlling interest basis prior to the Scheme, by aggregating the estimated fair market values of Pelsart's underlying assets and liabilities, having consideration for the following:

- Value of Pelsart's interest in PTK, comprising:
 - The Timburu Project, applying the DCF methodology and considering the mineral asset valuation based on the comparable transactions methodology as a cross-check;
 - Value of the Kusan Project, applying the mineral asset valuation through the geoscientific mineral asset valuation methodology, relying on the valuation performed by VRM;
- Value of Pelsart's 9% interest in KBK having reliance on the valuation performed by VRM and applying the geoscientific (Kilburn) asset valuation method;
- The value of the Bridgeport Royalty, applying the DCF methodology;
- Value of Pelsart's other assets and liabilities, adjusting to fair market value under the NAV methodology;
- Transaction costs incurred as part of the Scheme borne by Pelsart regardless of whether the Scheme is successfully implemented or not; and
- Number of shares on issue in Pelsart prior to the Scheme.

Our Sum-of-Parts valuation is set out below:

Sum-of-Parts Valuation of Pelsart prior to the Scheme	Ref	Low \$	Preferred \$	High \$
Value of Pelsart's 70% interest in PTK	10.2	31,150,000	39,900,000	48,790,000
Value of the Bridgeport Royalty	10.3	180,000	215,000	250,000
Value of Pelsart's 9% interest in KBK	10.4	1,346,574	1,500,411	1,466,606
Value of Pelsart's other assets and liabilities	10.5	(608,513)	(608,513)	(608,513)
Transaction-related costs	10.6	(600,000)	(600,000)	(600,000)
Total value of Pelsart prior to the Scheme (control)		31,468,061	40,406,898	49,298,093
Number of Pelsart shares on issue prior to the Scheme	10.7	1,833,552,401	1,833,552,401	1,833,552,401
Value of a Pelsart share prior to the Scheme (\$) (control)		0.017	0.022	0.027

Source: BDO analysis

We have assessed the value of a share in Pelsart on a controlling interest basis, prior to the Scheme, to be in the range of \$0.017 to \$0.027 with a preferred value of \$0.022.

10.2 Value of Pelsart's 70% interest in PTK

Pelsart holds a 70% interest in PTK. The core value of PTK lies in the Timburu Project, with PTK also holding the Kusan Project. Both projects are exploration blocks held within the CoW.

Our valuation of Pelsart's interest in PTK is summarised in the table below. We note that the DCF valuation of the Timburu Project incorporates the value of PTK's other assets and liabilities based on PTK's audited balance sheet as at 31 December 2023.

Value of Pelsart's 70% interest in PTK	Ref	Low \$	Preferred \$	High \$
DCF valuation of the Timburu Project including PTK's other assets and liabilities	10.2.1.1	43,700,000	55,700,000	67,800,000
Geoscientific mineral asset valuation of the Kusan Project	10.2.1.2	800,000	1,300,000	1,900,000
Total		44,500,000	57,000,000	69,700,000
Pelsart ownership (%)		70%	70%	70%
Value of Pelsart's interest in PTK		31,150,000	39,900,000	48,790,000

Source: BDO analysis

We note that we have also applied a secondary cross-check to the DCF value of the Timburu Project using the comparable transactions method undertaken by VRM as outlined in Section 10.2.2. We note that as opposed to the DCF method, the comparable transactions method does not incorporate the value of PTK's other assets and liabilities, therefore, we have included an assessment of the value of PTK's other asset and liabilities when applying our comparable transactions cross check.

As outlined in Section 10.2.2.4, our secondary crosscheck resulted in the value of Pelsart's 70% ownership in PTK to range from \$9.1 million to \$42.5 million, with a preferred midpoint of \$25.8 million. Therefore, we consider the high end of our cross-check valuation range supports the valuation of PTK assessed using our DCF approach.

We have adopted our valuation range as assessed under the DCF approach on the basis that this is our primary methodology, which considers in greater detail the funding requirements of the Timburu Project, working capital, rehabilitation and taxes, which are only broadly considered under a comparable transactions method.

10.2.1. Valuation of PTK using DCF methodology

10.2.1.1. DCF valuation of the Timburu Project

We have elected to use the DCF approach in valuing the Timburu Project. The DCF approach estimates the fair market value of the Timburu operations by discounting the future cash flows arising from the project to its net present value ('NPV'). Performing a DCF valuation requires the determination of:

- The future cash flows that the Timburu operations are expected to generate; and
- An appropriate discount rate to apply to the cash flows of the operations to convert them to their present value equivalent.

The value that we have ascribed to PTK's Timburu Project is based on a financial model provided to us by PTK and applying adjustments to technical assumptions as advised by VRM and applying our view of future economic assumptions, all of which are derived from information available at the time of VRM's Technical Specialist Report and our Report respectively. The technical and economic factors may change in the future, which may change the value of PTK.

The management of PTK has prepared and provided a detailed cash flow model for the Timburu Project (**'the Model'**). We have reviewed the Model and the material assumptions that underpin it.

BDO has made certain adjustments to the Model where it was considered appropriate to arrive at an adjusted model (**'the Adjusted Model'**). In particular, we have adjusted the Model to:

- reflect any changes to technical assumptions as a result of VRM's review;
- reflect any changes to the economic and other input assumptions from our research;
- where any of our adjustments have led to PTK experiencing a cash shortfall, we have adjusted the loan repayment schedule to maintain the cash balance at a reasonable level; and
- adopt a valuation date of 31 December 2023 in order to be consistent with the latest audited financial statements available.

The Adjusted Model includes recommendations made by VRM from its review of the Model's technical assumptions. Further details of VRM's proposed adjustments are set out in the Technical Specialist Report, included in Appendix 5.

The Model was prepared based on estimates of the Company's mining and production profile, operating costs (mining and processing), capital expenditures and corporate costs, specifically for the Timburu Project. Cashflows in the model were prepared on a USD basis and therefore the NPV is calculated in USD terms, which we have then converted to AUD using prevailing exchange rates as at the date of our assessment. We then multiplied the NPV by 70% to capture the value of Pelsart's ownership.

The main assumptions underlying the Adjusted Model include:

- mining and processing volumes;
- ore grades;
- operating costs;
- capital expenditure;
- rehabilitation costs;
- royalties;
- loan repayments;
- commodity prices (gold and silver);
- inflation rates;
- foreign exchange rates for USD/INR and AUD/USD;
- corporate taxes; and
- discount rate.

BDO has undertaken an analysis of the Model which has involved:

- analysing the Model to confirm its integrity and mathematical accuracy;
- appointing VRM to review and provide suggested changes to the technical assumptions underpinning the Model;
- conducting independent research on certain economic and other inputs such as commodity prices, exchange rates, inflation and discount rate applicable to the future cash flows of PTK;
- holding discussions with PTK's management regarding the preparation of the Model; and
- performing sensitivity analyses on the value of PTK's Timburu Project as a result of flexing certain assumptions and inputs.

The Adjusted Model, which forms the basis of our DCF valuation, has been adjusted based on the above procedures.

We have not undertaken a review of the cash flow forecast in accordance with the Standards on Assurance Engagement ASAE 3450 ‘Assurance Engagements involving Corporate Fundraising and/or Prospective Financial Information’ and do not express an opinion on the reasonableness of the assumptions or their achievability. However, nothing has come to our attention as a result of our procedures to suggest that the assumptions on which the Model has been based have not been prepared on a reasonable basis.

Limitations

Since forecasts relate to the future, they may be affected by unforeseen events and they depend, in part, on the effectiveness of management’s actions in implementing the plans on which the forecasts are based. Accordingly, actual results may vary materially from the forecasts included in the Adjusted Model, as it is often the case that some events and circumstances do not occur as expected, or are not anticipated, and those differences may be material.

Appointment of VRM

VRM was engaged to prepare the Technical Specialist Report which includes a technical assessment of the assumptions underlying the Model. VRM’s assessment involved a review and provision of an opinion on the reasonableness of the assumptions adopted in the Model, including but not limited to:

- the MRE and reserves included in the Model;
- mining physicals (including volume mined, recovery and grades);
- processing assumptions;
- operating costs;
- capital expenditure;
- rehabilitation and closure costs; and
- other relevant assumptions.

Economic assumptions used in the DCF valuation of Timburu

Inflation

As the Model incurs costs in USD, we have applied the forecast United States inflation rate to the costs of the Timburu Project. We note that there are costs within the Model which are incurred in INR and then converted to USD, however we consider our foreign exchange rate assumptions (described below) to appropriately capture the inflation rate differential between Indonesia and the United States and have therefore not applied a separate inflation assumption to INR-denominated costs.

In forming our assessment of the forecast inflation rate, we have had regard to consensus views of forecast inflation as at May 2024 sourced from Bloomberg. The inflation assumptions we have adopted are outlined in the table below, with long-term inflation from 2027 and beyond assumed to be a flat 2.0% per annum, consistent with the United States Federal Reserve’s long-term inflation target.

United States inflation rate	2024	2025	2026	2027+
Average inflation rate	3.13%	2.40%	2.30%	2.00%

Source: Bloomberg, BDO analysis

As discussed in the next section, we have also assumed a long-term US inflation rate in order to convert the long-term, real commodity prices from January 2027 onwards (which are quoted in USD terms) into nominal terms. For this purpose, we have adopted a flat US inflation rate of 2.0% per annum, consistent with the US Federal Reserve's long-term inflation target.

Commodity prices

The Model provided by PTK contemplates revenue from the sale of gold and, to a lesser extent, silver. In assessing the forecast commodity prices, we have considered the Consensus Economics price forecasts as at May 2024. The average commodity prices applied are shown in the table below. We note that Consensus Economics provides long-term real commodity pricing which begin from January 2029 onwards. In forming our long-term nominal pricing for each of the metals, we have considered these long term real prices and inflated them at our long-term US inflation rate assumption of 2%. The final column in the table below indicates the nominal pricing adopted in January 2029, with prices inflated in the subsequent periods at this long-term US inflation rate.

Commodity prices	2024	2025	2026	2027	2028	2029
Gold price (US\$/oz)	2,235	2,270	2,191	2,143	2,083	2,046
Silver price (US\$/oz)	26.25	27.64	26.30	25.56	24.94	24.59

Source: Bloomberg, BDO analysis

Exchange rates

As the model incurs several costs in INR and converts them to USD, we have implemented the following USD to INR exchange rate forecast:

USD:INR exchange rate	2024	2025	2026	2027	2028+
Average USD:INR	15,846	15,226	15,105	14,849	14,550

Source: Bloomberg, BDO analysis

In our assessment of foreign exchange rates, we have considered broker consensus forecasts sourced from Bloomberg to arrive at our foreign exchange rate assumptions. We have assumed the exchange rate remains constant beyond 2029.

We have also used the historical AUD to USD exchange rate of 0.664 as at 31 May 2024, to convert the NPV of PTK from USD to AUD. We sourced this spot rate from Bloomberg.

Mining physicals

The Adjusted Model forecasts a mining period of six years, beginning from July 2025 when the first ores are mined through to July 2031, with processing continuing further until September 2031. This is after the incorporation of VRM's recommendations regarding the processing throughput, which is outlined in Appendix 5.

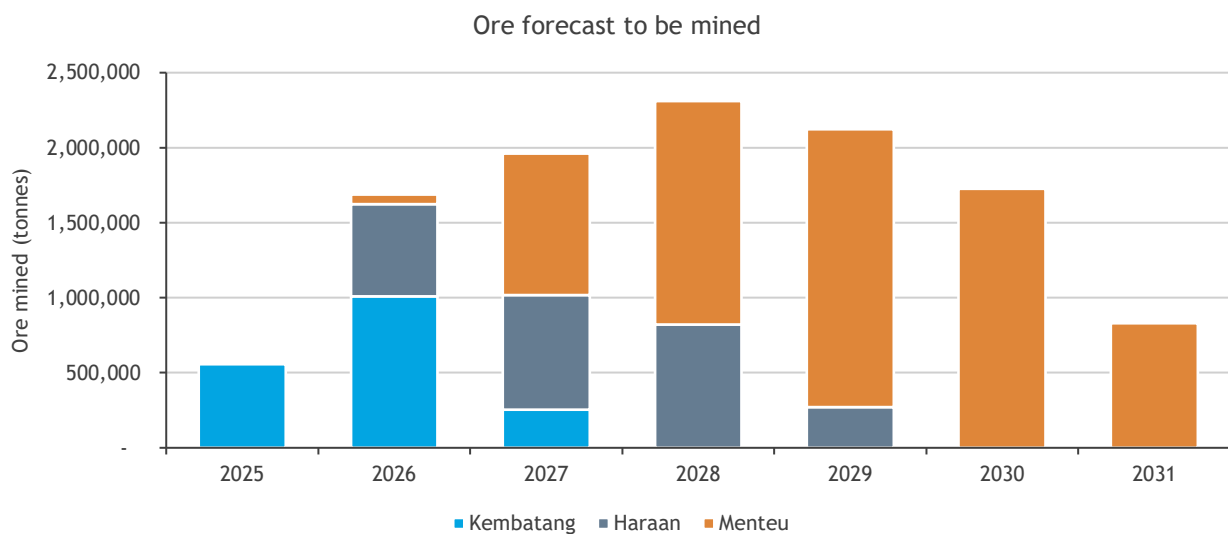
VRM recommended applying a grade reduction of up to 5% for mining to allow for additional waste being mined and ore loss. In applying this adjustment, VRM has proposed addressing this through sensitivities for which our preferred valuation is based on a midpoint grade reduction of 3.5%.

A recommendation has also been suggested by VRM regarding metallurgical recoveries, which were first based on the 2022 Feasibility Study report. The recovery rate has been reduced by 3% in absolute terms to account for upscaling from laboratory test work in ideal conditions to operational performance and variability in feed ore types and grades.

PTK has applied a plant ramp-up over a 3-month period, however, has not moderated recovery rates during this time. VRM has recommended a throughput ramp up profile based on empirical data to achieve a stable metallurgical recovery.

The Adjusted Model has incorporated all of VRM's mining physicals recommendations. Further details on these amendments can be found in the Technical Specialists Report attached as Appendix 5.

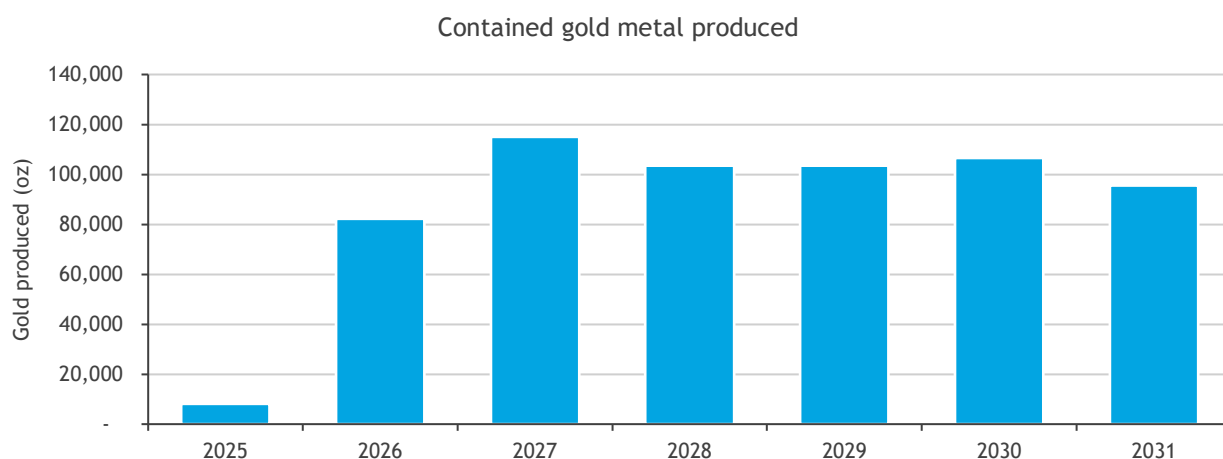
The graph below shows the forecast ore to be mined over the remaining life of mine of PTK's Timburu Project. The period in the charts below begins in July 2025 and ends in July 2031. We note that VRM's recommendations are reflected in the chart below.



Source: Adjusted Model

The ore that is mined is processed into gold and silver for sale. In terms of contained metals, gold is the predominant metal with much lower amounts of silver forecast to be produced. This is also reflected in the forecast sales, for which approximately 98% relate to gold, with the remainder from silver. For this reason, we have only displayed the forecast contained gold metal produced over the Adjusted Model's forecast period in the graph below. Processing of ore is expected to commence in October 2025 and cease in September 2031 (after incorporating VRM's adjustments to processing assumptions).

We note that the graph below reflects VRM's recommendation to reduce gold recoveries and grade. Further details on VRM's adjustments are contained in its Technical Specialist Report.



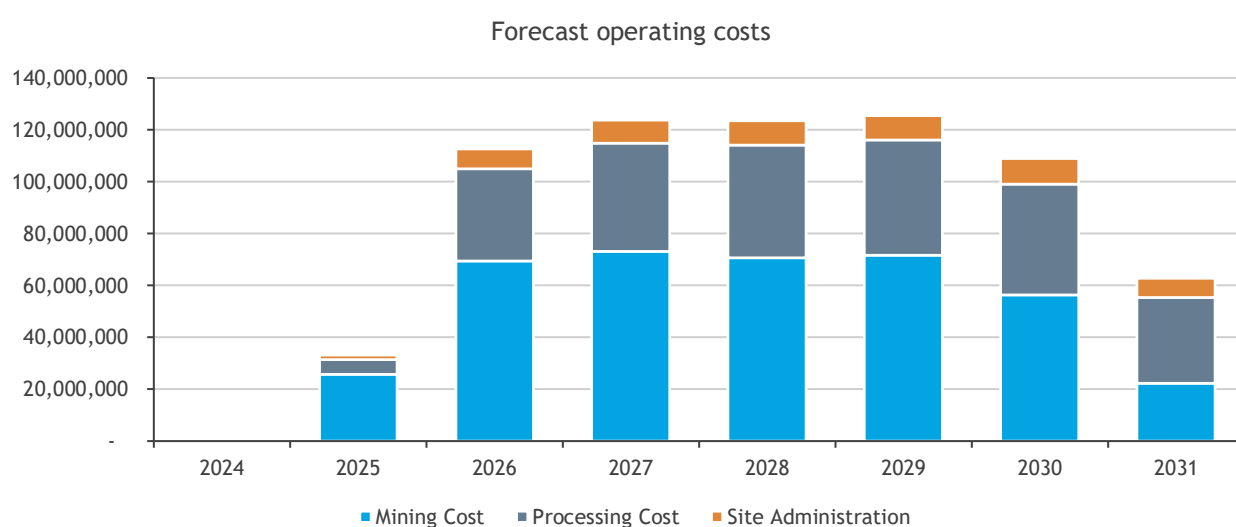
Source: Adjusted Model

Operating costs

The operating costs forecast in the Model include mining, processing, site administration, corporate costs and refining costs. These costs are calculated on a real basis and inflated into nominal terms within the Adjusted Model.

VRM has considered the reasonableness of the forecast operating cost assumptions. These assumptions are based on equipment, personnel and consumable consumption rates given in the 2022 Feasibility Study, which were internally adjusted by PTK based on a combination of market pricing and rates from other similar operations in Indonesia. VRM considers an allowance for a cost increase from the Feasibility stage appropriate on the basis of expected variation of productivity. We have reflected VRM's suggested adjustment of a 10% increase across the Project's operating costs relating to mining and processing in the Adjusted Model. The details of this adjustment can be found in the Technical Specialist Report in Appendix 5.

The forecast major operating costs for PTK, incorporating VRM's technical input assumptions and BDO's macroeconomic assumptions, are illustrated in the chart below.



Source: Adjusted Model

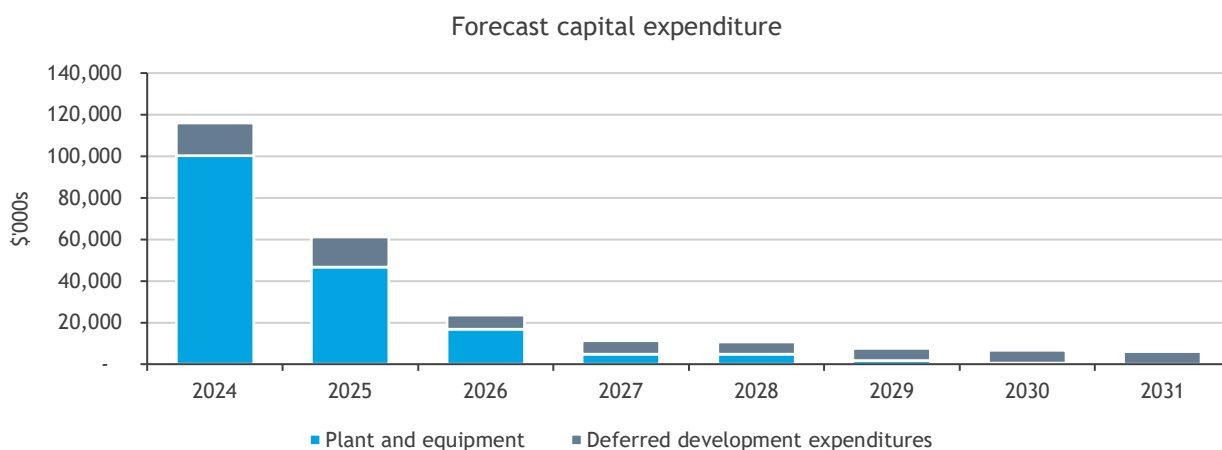
Capital expenditure

The construction capital cost estimate was built up by PTK on the basis of the 2022 Feasibility Study and updated with quotes and purchase orders. VRM considers it necessary to allow for contingency in the event of productivity reduction resulting in increased costs. An increase of 10% is recommended by VRM for the plant pre-production activities, with an increased contingency of 15%. These adjustments have been incorporated into the Adjusted Model.

The pre-production capital expenditure for PTK was initially based on a combination of the purchase orders for the process plant and related infrastructure. VRM has recommended the pre-production plant component costs increase by 5% as opposed to the 10% escalation, but with the 15% contingency maintained across these costs. This recommendation has been incorporated into the Adjusted Model.

The detailed reasoning regarding the above adjustments can be found in the Technical Specialist Report in Appendix 5.

As set out below, most of the forecast capital expenditure is expected to be incurred in 2024 and 2025.



Source: Adjusted Model

Royalties

Royalties comprise of Indonesian Government royalties for gold and silver sales, which we note to be a varying rate depending on the commodity price.

The Indonesian Mining Business Licence ('IUP') royalty rate for gold is based on the higher of the benchmark sales price or the actual sales price.

IUP Royalty Rates - Gold	Production Royalty Rate
Price ≤ USD1,300/ounce	3.75%
USD1,300/ounce < Price ≤ USD1,400/ounce	4%
USD1,400/ounce < Price ≤ USD1,500/ounce	4.25%
USD1,500/ounce < Price ≤ USD1,600/ounce	4.50%
USD1,600/ounce < Price ≤ USD1,700/ounce	4.75%
USD1,700/ounce < Price ≤ USD1,800/ounce	5%
USD1,800/ounce < Price ≤ USD1,900/ounce	6%
USD1,900/ounce < Price ≤ USD2,000/ounce	8%
Price > USD2,000/ounce	10%

Source: Indonesian Government Regulations ('GR') GR 26/2022.

The IUP royalty rate for silver is fixed at 3.25%.

These rates are consistent with those adopted in the Model.

Taxation

Taxation has been applied at a notional rate of 22% which represents the current corporate tax rate in Indonesia.

Debt

We note that cash flows in the Model are on a post-debt basis that factor in existing loan facilities with Bank Ganesha for \$46.84 million and IMK for \$41.26 million as displayed in Section 10.2.2.3 below and discussed in Section 5.

We note from discussions with PTK management that it intends to fund the remaining capital cost for the Timburu Project primarily through a loan with Bank Mandiri. We note there is a term sheet in place for the loan facility dated 20 March 2024 and for a facility of INR 2,030,767,000,000., which is assessed in the Model as US\$131.50 million. The facility is secured through a combination of plant and infrastructure, pledges and corporate guarantees. IMK is a corporate guarantor to the Timburu Project and is obliged to support the development of the project through equity injections to ensure the continuity of construction and commissioning of PTK's smelter and mining.

Therefore, the Model assumes that any shortfall will be supported by existing shareholders of PTK. The repayment schedule on the shareholder loans is considered to be flexible in order to maintain a reasonable cash balance within the PTK entity.

We consider there to be reasonable grounds to assume that the Project will be sufficiently funded to production and have incorporated the funding assumptions in the Adjusted Model.

Rehabilitation and closure costs

The Adjusted Model also includes total mine site closure costs of approximately US\$5.32 million (in nominal terms). This includes a Reclamation Guarantee starting in 2024 and a Mine Closure Guarantee in December 2027. These guarantees amount to US\$2.63 million and US\$2.69 million, respectively. To the extent that the rehabilitation payments and guarantees are sufficient for regulatory purposes, PTK Management and VRM have confirmed they consider the quantum of these costs to be sufficient.

PTK discount rate

In our assessment of an appropriate discount rate to apply to the cash flows of the Adjusted Model, we consider the most appropriate discount rate to be the cost of equity for PTK's Timburu Project. This is due to the Adjusted Model including consideration for the debt repayments and therefore, we are discounting cash flows which are wholly attributable to the equity holders of PTK's Timburu Project.

For the DCF valuation of PTK's Timburu Project, we have selected a nominal post-tax discount rate in the range of 13.96% to 14.74% with a preferred rounded rate of 14%. We have used our preferred rounded rate to discount the post-tax, levered cash flows in the Adjusted Model.

In selecting our range of discount rates we considered the following:

- the rate of return for comparable ASX listed gold mining companies operating in Indonesia or countries with similar risk profiles; and

- the risk profile of PTK's Timburu Project as compared to the projects of the comparable companies identified.

A detailed consideration of how we arrived at the adopted post-tax nominal discount rate range is discussed in Appendix 3.

Sensitivity analysis

We have analysed the key assumptions to the Adjusted Model and have prepared sensitivities on the post-tax NPV on a USD basis, as the cashflows are in USD. The sensitivity analysis considers the value of Timburu under various pricing scenarios, and in applying:

- a relative change of +/- 10% to the gold price (noting that a sensitivity was not performed on the price of silver given their contribution to the DCF valuation is immaterial);
- a relative change of +/- 10% to operating costs;
- a relative change of +/- 10% to capital costs;
- a relative change of +/- 10% to the USD:INR exchange rate;
- a discount rate in the range of 13.0% to 15.0%; and
- an absolute change of +/- 1% to the rate of inflation rate assumed.

These sensitivities have been prepared to assist Shareholders in considering the potential effects to the value of PTK's Timburu Project if our base case assumptions change.

In US\$'000s		Sensitivity Analysis of PTK's Timburu Project		
% Relative Flex	Gold Price	Operating Costs	Capital Costs	USD:INR Rate
10.0%	80,165	13,881	29,861	39,544
8.0%	71,309	17,976	31,054	38,994
6.0%	62,456	22,533	32,423	38,394
4.0%	53,725	27,317	33,763	37,794
2.0%	45,082	31,872	35,161	37,171
-	36,528	36,528	36,528	36,528
-2.0%	29,269	41,550	37,933	35,876
-4.0%	23,938	46,583	39,348	35,173
-6.0%	18,077	51,680	40,767	34,435
-8.0%	13,605	56,814	42,199	33,690
-10.00%	9,983	61,964	43,648	33,109

Source: BDO analysis and the Adjusted Model

Sensitivity Analysis of PTK's Timburu Project to the discount rate					
Discount rate	13.0%	13.5%	14%	14.5%	15.0%
Value (US\$'000s)	38,749	37,619	36,528	35,476	34,461

Source: BDO analysis and the Adjusted Model

Sensitivity Analysis of PTK's Timburu Project to the inflation rate					
% Absolute Flex on Inflation Rate	-1.0%	-0.5%	-	+0.5%	+1.0%
Value (US\$'000s)	38,970	36,893	36,528	37,541	38,679

Source: BDO analysis and the Adjusted Model

In considering the above sensitivities, Shareholders should note the following:

- the variables described above may have compounding or offsetting effects and are unlikely to move in isolation;

- the variables for which we have performed sensitivities are not the only variables which are subject to deviation from the forecast assumptions; and
- the sensitivities performed do not cover the full range of possible variances from the base case assumptions used (i.e. variances could be greater than the percentage increases or decreases set out in this analysis).

We also note that we have presented the above sensitivities to highlight the sensitivity of the value of PTK to changes in pricing and other assumptions.

Based on the above, we consider the DCF value of the Timburu Project ranges from US\$29.0 million to US\$45.0 million, with a preferred midpoint of US\$37.0 million based primarily on the sensitivity to the gold price of +/-2%. We note our assessed range also encapsulates a +/-2% change in operating costs and capital costs and a +/-1% change in discount rate.

When converted to AUD terms at the AUD/USD rate of 0.664, sourced from Bloomberg, this equates to a rounded range of \$43.7 million to \$67.8 million, with a preferred value of \$55.7 million.

10.2.1.2. Geoscientific mineral asset valuation of the Kusan Project

VRM has valued the exploration potential of the Kusan Project, which is not accounted for in the Adjusted Model.

In valuing the Kusan Project, VRM has taken a geoscientific (Kilburn) valuation approach where a series of factors within the project are used to inform its valuation range. Further details can be found in VRM's Technical Specialist Report attached as Appendix 5.

Based on the above, we consider the value of the Kusan Project to be between \$0.8 million and \$1.9 million, with a preferred value of \$1.3 million.

10.2.1.3. Conclusion on the valuation of PTK using the DCF methodology

Value of Pelsart's 70% interest in PTK	Ref	Low \$	Preferred \$	High \$
DCF valuation of the Timburu Project in AUD	10.2.1.1	43,700,000	55,700,000	67,800,000
Geoscientific mineral asset valuation of the Kusan Project	10.2.1.2	800,000	1,300,000	1,900,000
Total		44,500,000	57,000,000	69,700,000
Pelsart ownership (%)		70%	70%	70%
Value of Pelsart's interest in PTK		31,150,000	39,900,000	48,790,000

Source: BDO analysis

Based on the above analysis, we consider the value of Pelsart's 70% ownership in PTK to be in the range of \$31.2 to \$48.8 million, with a preferred midpoint of \$39.9 million.

10.2.2. Cross-check valuation of PTK using the mineral asset valuation methodology

As a crosscheck to our valuation conclusion of PTK in Section 10.2.1.3, we have also considered a comparable transactions mineral asset valuation methodology for the valuation of the Timburu Project. We have relied on VRM's comparable transactions valuation for the Timburu Project (which is further supported by a yardstick valuation cross check) and a geoscientific methodology for the Kusan Project.

We note that the mineral asset valuation for the Timburu Project using comparable transactions does not consider the other assets and liabilities of PTK, primarily comprising of PTK's existing debt funding

facilities. Therefore, we have also assessed the value of PTK's other assets and liabilities under this cross-check.

Our cross-check valuation of PTK is summarised in the table below.

Value of Pelsart's 70% interest in PTK	Ref	Low \$	Preferred \$	High \$
Comparable transactions mineral valuation of the Timburu Project	10.2.2.1	69,800,000	93,100,000	116,400,000
Geoscientific mineral asset valuation of the Kusan Project	10.2.2.2	800,000	1,300,000	1,900,000
Value of PTK's other assets and liabilities	10.2.2.3	(57,592,488)	(57,592,488)	(57,592,488)
Total		13,007,512	36,807,512	60,707,512
Pelsart ownership (%)		70%	70%	70%
Value of Pelsart's interest in PTK		9,105,258	25,765,258	42,495,258

Source: BDO analysis

10.2.2.1. Comparable transactions valuation of the Timburu Project using resource multiples

For the cross check valuation of the Timburu Project we have considered VRM's valuation based on the comparable transactions method using resource multiples, which is further supported by a yardstick valuation cross check.

Further details of VRM's valuation is outlined in Appendix 5.

10.2.2.2. Geoscientific mineral asset valuation of the Kusan Project

For the valuation of the Kusan Project, we have considered VRM's asset valuation using the geoscientific (Kilburn) method to inform our valuation range, as explained in Section 10.2.1.2.

10.2.2.3. Valuation of PTK's other assets and liabilities

The other assets and liabilities of PTK represent the assets and liabilities that have not been specifically addressed elsewhere in our cross-check valuation of PTK. From our discussions with Pelsart and analysis of the other assets and liabilities, outlined in the table below, we do not consider there to be a material difference between book value and fair value, unless an adjustment has been noted below.

The table below represents a summary of the assets and liabilities identified:

Statement of Financial Position	Ref	Audited as at 31-Dec-23 \$	Adjusted value \$
CURRENT ASSETS			
Cash and cash equivalents		1,164,353	1,164,353
Trade and other receivables		14,225	14,225
Inventories		942,552	942,552
Prepaid assets		4,130,288	4,130,288
TOTAL CURRENT ASSETS		6,251,418	6,251,418
NON-CURRENT ASSETS			
Plant & equipment		41,778,931	41,778,931
Right-of-use assets		988,000	988,000
Deferred exploration and development	a)	95,203,139	-
TOTAL NON-CURRENT ASSETS		137,970,070	42,766,931
TOTAL ASSETS		144,221,488	49,018,349
CURRENT LIABILITIES			

Statement of Financial Position	Ref	Audited as at 31-Dec-23 \$	Adjusted value \$
Trade and other payables		13,892,996	13,892,996
Borrowings		47,120,321	47,120,321
Lease liabilities		592,991	592,991
Taxes payable		356,229	356,229
TOTAL CURRENT LIABILITIES		61,962,537	61,962,537
NON-CURRENT LIABILITIES			
Lease liabilities		590,253	590,253
Long-term bank loan		41,700,311	41,700,311
Employee benefits obligations		2,268,208	2,268,208
Deferred gain on sale and leaseback		89,528	89,528
TOTAL NON-CURRENT LIABILITIES		44,648,300	44,648,300
TOTAL LIABILITIES		106,610,837	106,610,837
NET ASSETS		37,610,651	(57,592,488)

Source: Consolidation workings for Pelsart's audited financial statements for the period ended 31 December 2023, discussions with Pelsart and BDO analysis

We note the following in relation to the above valuation to PTK's other assets and liabilities:

Note a) Deferred exploration and development

We have adjusted the deferred exploration and development asset to nil on the basis that this is captured within the mineral asset valuation of the Timburu Project and the Kusan Project as detailed in Section 10.2.2.1 and 10.2.2.2.

10.2.2.4. Conclusion on the cross-check valuation of PTK using the mineral asset valuation methodology

Based on the above analysis, we consider the value of Pelsart's 70% ownership in PTK to be in the range of \$9.1 million to \$42.5 million, with a preferred midpoint of \$25.8 million. Therefore, we consider the high end of our cross-check valuation range supports the valuation of PTK assessed using our DCF approach.

10.3 DCF valuation of the Bridgeport Royalty

As outlined in Section 5, the Bridgeport Royalty is an oil and gas interest held by the Company for production in the Cooper Basin. The royalty is equivalent to 5% of the royalty payable by Bridgeport to the QOSR paid quarterly. The underlying royalty rate payable by Bridgeport to the QOSR is determined by the QOSR benchmark price, which is derived from the daily Europe Brent Spot Price FOB (\$/bbl) averaged over the royalty return period. Royalty payments are due to Pelsart quarterly.

Pelsart provided us with a forecast (through Bridgeport), which outlines the annual production from the Cooper Basin up to and including FY28. The forecast included historical royalty amounts paid which are calculated using the following steps:

1. Calculate QOSR royalty rate using the QOSR benchmark price in accordance with the *Petroleum and Gas (Royalty) Regulation 2021*
2. Apply royalty rate to total produced barrels to calculate QOSR royalty
3. Apply the royalty rate of 5% on the royalty to derive the royalty payments.

No forecast is available for production at Cooper Basin beyond FY28 and as such, we consider we do not have reasonable grounds to assess the future production profile at Cooper Basin beyond FY28. Therefore, for the purpose of our assessment, we have elected to include royalty payments only up to FY28.

Based on current taxation advice provided to Pelsart, the royalty payments received by Pelsart are not taxable income. Therefore, we have considered there to be no tax payable on the royalty payments received.

To calculate the value of the Bridgeport Royalty, the present value of the future cash flows to be generated by this royalty stream was calculated ('**Bridgeport Royalty Model**'). The weighted average cost of capital ('**WACC**') was deemed to be most appropriate as a discount rate to account for the risks inherent in these cash flows.

For the DCF valuation of the Bridgeport Royalty, we have selected a discount rate in the range of 8.92% to 9.72% with a preferred rounded midpoint of 9%. We have used our preferred rounded midpoint to discount the post-tax cash flows in the Bridgeport Royalty Model.

In selecting our range of discount rates, we considered the following:

- the rate of return for comparable ASX listed gas producing mining companies to that of New Hope, operating in Queensland and/or South Australia; and
- the risk profile of Bridgeport Royalty as compared to the projects of the comparable companies identified.

A detailed considering of how we arrived at the adopted post-tax nominal discount range is discussed in Appendix 3.

Based on our analysis, this resulted in an NPV of \$217,687.

In order to assess a range of values, we have applied a +/- 10% adjustment to the QOSR benchmark price and forecasted LPG barrels produced from Cooper Basin, as well as a +/- 2.0% absolute adjustment to the discount rate adopted.

We conclude that the present value of the Bridgeport royalty stream ranges from \$180,000 to \$250,000. Our low and high values are based on +/- 10% adjustment to the forecast Europe Brent Spot Price and LPG production, as well as a +/- 2% movement in the discount rate.

Price

Sensitivity Analysis of Bridgeport Royalty to QOSR Benchmark Price (in \$'000s)					
QOSR Benchmark price	-10.0%	-5.0%	-	5.0%	10.0%
Value (\$'000s)	183.20	200.25	217.69	235.17	252.65

Source: BDO analysis

LPG Production

Sensitivity Analysis of Bridgeport Royalty to LPG Production (in \$'000s)					
Gold produced	-10.0%	-5.0%	-	5.0%	10.0%
Value (\$'000s)	195.92	206.80	217.69	228.57	239.46

Source: BDO analysis

Discount Rate

Sensitivity Analysis of Bridgeport Royalty to Discount Rate (in \$'000s)					
Discount rate	-2.0%	-1.0%	-	1.0%	2.0%
Value (\$'000s)	225.43	221.49	217.69	214.01	210.45

Source: BDO analysis

10.4 Value of Pelsart's 9% interest in KBK

As described in Section 5, KBK owns a formerly operating gold mine in Indonesia, the Mirah Gold Mine, which has since been mined out and is no longer an operational focus for Pelsart. We also note that there are no longer residual resources held within KBK.

Notwithstanding this, Pelsart continues to account for its 9% interest in KBK as an investment in other financial assets, which is based on a 9% pro rata interest on KBK's net asset position at balance date.

We have applied an NAV on KBK with consideration for the value of KBK undertaken by VRM. Our results are summarised in the table below and discussed in subsequent paragraphs:

		Low	Preferred	High
Value of Pelsart's 9% interest in KBK		\$	\$	\$
Geoscientific mineral asset valuation of KBK	10.4.1	100,000	140,000	190,000
Value of KBK's other assets and liabilities	10.4.2	1,887,583	1,887,583	1,887,583
Value of Pelsart's interest in KBK (control)		1,987,583	2,027,583	2,077,583
Minority discount (%)		29%	26%	23%
Value of Pelsart's interest in KBK (minority interest)		1,411,184	1,500,411	1,599,739

Source: BDO analysis

10.4.1. Geoscientific mineral asset valuation of KBK

VRM has valued Pelsart's 9% interest in KBK, which owns the Mirah Gold Mine, using a geoscientific (Kilburn) asset valuation approach to inform its valuation range.

VRM has assessed a value ranging from \$0.10 million to \$0.19 million with a preferred valuation of \$0.14 million. Further details can be found in VRM's Technical Specialist Report attached as Appendix 4.

10.4.2. Valuation of KBK's other assets and liabilities

The other assets and liabilities of KBK represent the assets and liabilities that have not been specifically addressed in the mineral asset valuation above.

Our assessment is based on the audited balance sheet of KBK being the latest balance sheet made available to us given Pelsart's minority 9% interest in KBK.

From our discussions with Pelsart and analysis of the other assets and liabilities, outlined in the table below, we do not consider there to be a material difference between book value and fair value, unless an adjustment has been noted below.

The table below represents a summary of the assets and liabilities identified:

Statement of Financial Position	Ref	Audited as at 31-Dec-23 \$	Adjusted Value \$
CURRENT ASSETS			
Cash in hand and in banks		457,828	457,828
Other financial asset	a)	10,814,151	10,814,151
Other accounts receivable			
Related Parties		3,206,805	3,206,805
Third Parties		1,403	1,403
Inventories		329,183	329,183
Prepaid taxes		1,853,445	1,853,445
Prepaid expenses		51,692	51,692
Advances		90,942	90,942
TOTAL CURRENT ASSETS		16,805,449	16,805,449

Statement of Financial Position	Ref	Audited as at 31-Dec-23 \$	Adjusted Value \$
NON-CURRENT ASSETS			
Property, plant and equipment - net		3,636,824	3,636,824
Environmental management and reclamation assets - net		397,803	397,803
Deferred exploration and development cost	b)	6,287,069	-
Other non-current assets	c)	3,348,755	3,348,755
TOTAL NON-CURRENT ASSETS		13,670,451	7,383,382
TOTAL ASSETS		30,475,900	24,188,831
CURRENT LIABILITIES			
Trade accounts payable		308,931	308,931
Taxes payable		178,254	178,254
Accrued expenses		86,716	86,716
TOTAL CURRENT LIABILITIES		573,901	573,901
NON-CURRENT LIABILITIES			
Estimated liability for environmental management and reclamations		2,226,458	2,226,458
Post-employment benefits obligations		415,327	415,327
TOTAL NON-CURRENT LIABILITIES		2,641,784	2,641,784
TOTAL LIABILITIES		3,215,685	3,215,685
NET ASSETS		27,260,215	20,973,145
Pelsart ownership (%)			9%
NET ASSETS (9% interest)			1,887,583

Source: Consolidation workings for KBK's audited financial statements for the period ended 31 December 2023, discussions with KBK and BDO analysis

We note the following in relation to the above valuation to KBK's other assets and liabilities:

Note a) Other financial asset

We note KBK's other financial asset refers to term deposits amounting to US\$7.00 million which are used as collateral for short-term funding by PTK.

Note b) Deferred exploration and development

We have adjusted the deferred exploration and development asset to nil on the basis that this is captured within the mineral asset valuation of KBK as detailed in Section 10.4.1.

Note c) Other non-current assets

We note other non-current assets refers to a deposit for a post-mining reclamation guarantee required by the Indonesian Government.

10.4.3. Minority interest of KBK

Our assessment of the valuation of Pelsart's 9% ownership in KBK includes a discount for minority interest. This represents the discount that a minority holding of KBK represents as compared to a controlling interest holding.

A detailed consideration of how we arrived at the adopted minority discount rate is discussed in Appendix 4.

10.5 Value of Pelsart's other assets and liabilities

The other assets and liabilities of Pelsart represent the assets and liabilities that have not been specifically addressed elsewhere in our Sum-of-Parts valuation. From our discussions with Pelsart and analysis of the other assets and liabilities, outlined in the table below, we do not consider there to be a

material difference between book value and fair value, unless a fair value adjustment has been noted below. In a number of cases, the audited balance has already been incorporated into the Adjusted Model and forms part of the overall project value. Therefore, our adjustments largely pertain to the exclusion of these assets and liabilities to the extent they are already included in the value of the Timburu Project.

The table below represents a summary of the assets and liabilities identified:

Statement of Financial Position	Note	Audited as at 31-Dec-23 \$	Adjusted value \$
CURRENT ASSETS			
Cash and cash equivalents	a)	1,629,454	386,314
Trade and other receivables	b)	42,655	28,430
Inventories	c)	942,552	-
Other assets	c)	4,130,288	-
TOTAL CURRENT ASSETS		6,744,949	414,743
NON-CURRENT ASSETS			
Investment in other financial asset	d)	2,390,255	-
Right-of-use assets	c)	988,000	-
TOTAL NON-CURRENT ASSETS		3,378,255	-
TOTAL ASSETS		10,123,204	414,743
CURRENT LIABILITIES			
Trade and other payables	b)	6,977,387	36,329
Borrowings	b)	48,788,504	986,928
Lease liabilities	c)	592,991	-
Current maturities of long-term bank loan	c)	277,656	-
TOTAL CURRENT LIABILITIES		56,636,538	1,023,257
NON-CURRENT LIABILITIES			
Lease liabilities	c)	590,253	-
Long-term bank loan	c)	446,750	-
Employee benefits obligations	c)	2,268,208	-
Other non-current liabilities	c)	41,343,089	-
TOTAL NON-CURRENT LIABILITIES		44,648,300	-
TOTAL LIABILITIES		101,284,838	1,023,257
NET ASSETS		(91,161,634)	(608,513)

Source: Pelsart's audited financial statements for the period ended 31 December 2023, discussions with Pelsart and BDO analysis

We have been advised that there has not been any other significant change in the net assets of Pelsart since 31 December 2023 and that the above assets and liabilities represent their fair market values apart from the adjustments detailed below. We note that we have also been provided with management accounts for April 2024 for the consideration of any material movements since 31 December 2023.

As noted above, we have excluded assets and liabilities of PTK that are already included in the Adjusted Model and therefore considered in the DCF valuation methodology for PTK.

We note the following in relation to the above valuation to Pelsart's other assets and liabilities:

Note a) Cash and cash equivalents

We have adjusted cash and cash equivalents on Pelsart's statement of financial position to exclude the assets and liabilities that relate to PTK, as these assets and liabilities are included in the Adjusted Model. Therefore, the cash balance of Pelsart as at 31 December 2023 is \$386,314.

Note b) Pelsart specific assets and liabilities

On a similar basis as the cash balance above, we have adjusted the assets and liabilities on Pelsart's statement of financial position to exclude the assets and liabilities that relate to PTK, as these assets and liabilities are included in the Adjusted Model. The remaining balances in trade and other receivables, trade and other payables and borrowings relate to balances held within the Pelsart head entity.

Note c) Assets and liabilities already included within the valuation of PTK

These assets have been excluded from our assessment on the basis they are included within PTK and hence are included in the Adjusted Model.

Note d) Investment in other financial asset

Investment in other financial asset relates to Pelsart's investment in KBK. The value of KBK has been accounted for separately in VRM's valuation, which we have described in Section 10.4, therefore we have adjusted this value to nil.

10.6 Transaction related costs

In performing our valuation of Pelsart prior to the Scheme, we have reflected the transaction costs that are expected to be incurred by Pelsart following 31 December 2023, but prior to the implementation of the Scheme, regardless of whether the Scheme proceeds.

These transaction costs, which include financial advisory, legal, accounting, Independent Expert, tax and administrative fees, Scheme Booklet and printing, share registry and other expenses, have been estimated at \$0.6 million. We have not included transaction related costs that have been incurred by Pelsart prior to 31 December 2023, as these costs are already reflected in the valuation of Pelsart's other assets and liabilities.

10.7 Number of Pelsart shares on issue prior to the Scheme

As detailed in Section 5.7, the number of Pelsart shares on issue as at the date of our is 1,833,552,401, which we have used in our Sum-of-Parts assessment. We note as at the date of our Report the Company has no outstanding options or performance rights.

11. Valuation of the Scheme Consideration

Under the Scheme, Shareholders will receive cash consideration of \$0.035 for every share in Pelsart that they hold.

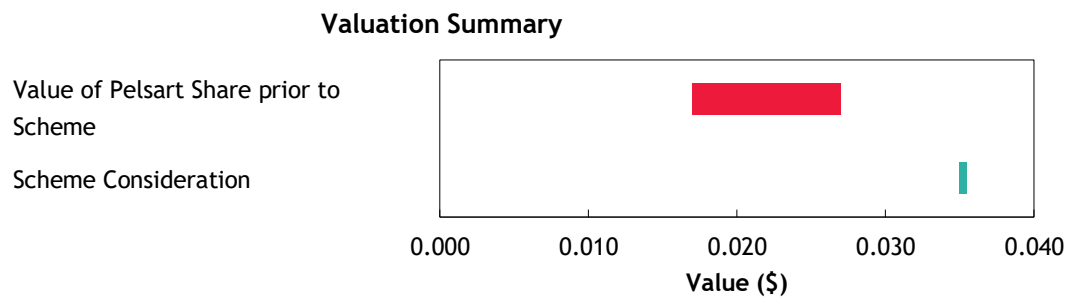
12. Is the Scheme fair?

The value of a Pelsart share (on a controlling interest basis) and the Scheme Consideration is compared below:

	Ref	Low \$	Preferred \$	High \$
Value of a Pelsart share prior to the Scheme	10	0.017	0.022	0.027
Value of the Scheme Consideration per share	11	0.035	0.035	0.035

Source: BDO analysis

We note from the table above that the value of the Scheme Consideration per share is greater than the value of a Pelsart share prior to the Scheme. Therefore, we consider that the Scheme is fair to the Shareholders of Pelsart.



13. Is the Scheme reasonable?

13.1 Alternative proposal

We are unaware of any alternative proposal that might offer the Shareholders of Pelsart a premium over the value resulting from the Scheme.

13.2 Consequences of not approving the Scheme

Shareholders will continue to hold an unlisted share

Pelsart is a non-listed public company following its removal from the ASX in 2008. Therefore, Shareholders are currently unable to realise their investment through public trading. The Company's capital is closely held by Sanfield, holding approximately 92.91% of Pelsart shares. This may result in Shareholders having difficulty realising their investment, or being forced to realise at a discount to our assessed value.

13.3 Advantages of approving the Scheme

We have considered the following advantages when assessing whether the Scheme is reasonable.

13.3.1. The Scheme is fair

As set out in Section 12, the Scheme is fair. RG 111.12 states that an offer is reasonable if it is fair.

13.3.2. Shareholders obtain cash under the Scheme

The Scheme involves the acquisition of all outstanding shares in Pelsart for cash consideration of \$0.035 per share. Shareholders will obtain cash for the exit on their investment which offers certainty in their returns and provides Shareholders with an opportunity to utilise the cash received for other purposes such as alternative investments.

Given Pelsart is a non-listed entity with its shares being illiquid, the certainty of cash consideration of \$0.035 per share, will benefit shareholders as they are unable to sell their shares at a higher price. In particular, those who hold large parcels of shares may have difficulty selling their shares off market.

13.3.3. Shareholders risk future dilution from funding arrangements for PTK should the Scheme not proceed

As outlined in our DCF valuation in Section 10.2.1.1, it is presently intended that the development of PTK will be funded primarily through a loan facility with Bank Mandiri, with any cash shortfall supported by capital injections from IMK and other related parties as corporate guarantors. The Adjusted Model currently treats these capital injections as debt-like with repayments on these shareholder loans made only when cash surpluses from the Timburu Project are sufficient for such repayments while maintaining a reasonable level of cash for working capital. However, it is also likely that these capital injections will eventually be converted to equity in PTK, resulting in a dilution of Pelsart's interest in PTK and hence the Timburu Project.

We note Pelsart, in its existing capacity, has been unable to finance the Timburu Project in proportion to its 70% share of the commitment. Therefore, it is likely that any future funding injections required by PTK shareholders will need to be supported by IMK and its related parties, which may result in significant dilution to Shareholders.

13.3.4. Shareholders will no longer be exposed to risks associated with being a Shareholder of Pelsart

Volatile commodity markets, project development risks and geopolitical risks in Indonesia are some of the specific risks Pelsart Shareholders have been exposed to and may continue to be exposed to. If the Scheme is approved, Shareholders will no longer be exposed to the specific risks of holding shares in Pelsart as they will no longer be Shareholders.

13.3.5. No brokerage or stamp duty payable

In accordance with the Scheme, Shareholders will not have brokerage or stamp duty payable on the transfer of their Pelsart Shares.

13.4 Disadvantages of approving the Scheme

If the Scheme is approved, in our opinion, the potential disadvantages to Shareholders include those listed in the table below:

13.4.1. Shareholders will be unable to participate in the potential upside of the Company's operations

If the Scheme is approved, Shareholders' shares in Pelsart will be acquired by Sanfield and they will cease to be a Pelsart Shareholder. Consequentially, Shareholders will be unable to participate in the future financial performance of Pelsart and exercise the rights of a Pelsart Shareholder. This future performance of Pelsart is primarily based on the successful development and production of PTK's Timburu Project. Therefore, if Shareholders approve the Scheme, they will forego any potential upside from progressing PTK's Timburu Project, should that upside eventuate.

We also note that if the Scheme is approved, then Shareholders will not be able to access the returns that are forecast in the Adjusted Model. Further, they would also not be able to participate in the upside of any exploration potential as ascribed by VRM.

13.4.2. Shareholders will forgo the opportunity to receive any potential future dividends

If the Scheme is approved and the PTK projects are developed through to production, there is a possibility that the Company will be in a position to pay dividends to Shareholders. We note that there is no certainty that the Company will be in a position to pay dividends, nor that management will elect to distribute dividends to Shareholders. However, if the Scheme is approved, Shareholders will forego the opportunity to potentially receive dividends in the future.

14. Conclusion

We have considered the terms of the Scheme as outlined in the body of this report and have concluded that, in the absence of an alternative offer, the Scheme is fair and reasonable for Shareholders. Therefore, in the absence of a superior proposal, we consider the Scheme to be in the best interests of Shareholders.

15. Sources of information

This report has been based on the following information:

- Audited financial statements of Pelsart for the years ended 31 December 2021, 31 December 2022 and 31 December 2023;
- Pelsart management accounts for April 2024;
- Pelsart Draft Scheme Booklet;
- Technical Specialist Report prepared by VRM;
- Bloomberg;
- Consensus Economics;
- S&P Capital IQ;
- Bank of Indonesia;
- Indonesian GR 26/2022;
- World Gold Council;
- U.S. Geological Survey;
- Organisation structure information; and
- Discussions with Directors and Management of Pelsart and PTK.

16. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of \$60,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by Pelsart in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by Pelsart, including the non provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to Pelsart and Sanfield and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of Pelsart and Sanfield and their respective associates.

A draft of this report was provided to Pelsart and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

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17. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investments Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Adam Myers is a Fellow of Chartered Accountants Australia & New Zealand and the Joint Ore Reserves Committee. Adam's career spans over 25 years in the audit and corporate finance areas. Adam is a CA BV Specialist and has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 35 years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 700 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Corporate Finance Practice Group Leader of BDO in Western Australia, the Global Head of Natural Resources for BDO and a former Chairman of BDO in Western Australia.

18. Disclaimers and consents

This report has been prepared at the request of Pelsart, for inclusion in the Scheme Booklet which will be sent to all Pelsart Shareholders. Pelsart engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider if the Scheme is in the best interests of Shareholders.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Scheme Booklet. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Scheme Booklet other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to the Scheme. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

The forecasts provided to BDO Corporate Finance (WA) Pty Ltd by PTK and Pelsart and its advisers are based upon assumptions about events and circumstances that have not yet occurred. Accordingly, BDO Corporate Finance (WA) Pty Ltd cannot provide any assurance that the forecasts will be representative of results that will actually be achieved. We note that the forecasts provided do not include estimates as to the effect of any future emissions trading scheme should it be introduced as it is unable to estimate the effects of such a scheme at this time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Scheme, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of Pelsart, or any other party.

BDO Corporate Finance (WA) Pty Ltd has also considered and relied upon independent valuations for mineral assets held by Pelsart.

The valuer engaged for the mineral asset valuation, VRM, possess the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation is appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the meeting or during the offer period.

Yours faithfully

BDO CORPORATE FINANCE (WA) PTY LTD



Adam Myers
Director



Sherif Andrawes
Director

Appendix 1 - Glossary of Terms

Reference	Definition
\$	Australian dollars
\$/bbl	Dollars per barrel
A\$	Australian dollars
ABS	Australian Bureau of Statistics
AFCA	Australian Financial Complaints Authority
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
AUD	Australian dollars
BDO	BDO Corporate Finance (WA) Pty Ltd
BI	Bank of Indonesia
BI rate	Bank of Indonesia's Interest Rate
Bridgeport	Bridgeport Energy Limited
Bridgeport Royalty	Pelsart's royalty interest in Bridgeport's oil and gas project located in the Cooper Basin
Bridgeport Royalty Model	
CAPM	Capital Asset Pricing Model
Corporations Act	The Corporations Act 2001 Cth
CoW	Contract of Work
DCF	Discounted Future Cash Flows
Directors	The Independent Directors of Pelsart
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
FEED	front-end engineering design
FME	Future Maintainable Earnings
FOB	Free on Board
FOS	Financial Ombudsman Service
FSG	Financial Services Guide
g/t	grams per tonne
GDP	Gross Domestic Product
GR	Government Regulation

Reference	Definition
IMK	PT Indo Muro Kencana
INR	Indonesian Rupiah
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)
KBK	PT. Kasongan Bumi Kencana
KCMI	Komite Cadangan Mineral Indonesia
Kusan Project	The secondary project of PTK's operations within the CoW
MRE	Mineral Resource Estimate
Mt	Million Tonnes
NAV	Net Asset Value
New Hope	New Hope Corporation Limited
NPV	Net Present Value
Our Report	This Independent Expert's Report prepared by BDO
Ours	BDO Corporate Finance (WA) Pty Ltd
oz	ounces
Pelsart	Pelsart Resources N.L.
PI	Pelsart International N.L.
PKP	Pelsart Kasongan Pty Ltd
Primecorp	Primecorp Enterprises Limited
PTK	PT. Pelsart Tambang Kencana
QMP	Quoted market price
QOSR	Queensland Office of State Revenue
R ²	Coefficient of Determination
RBA	Reserve Bank of Australia
Regulations	Corporations Act Regulations 2001 (Cth)
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)
RG 60	Schemes of arrangement (September 2011)
RG 74	Acquisitions approved by Members (December 2011)
RG 76	Related party transactions
Sanfield	Sanfield Holdings Limited
Scheme Consideration	Under the Scheme, Pelsart shareholders will receive cash consideration of \$0.035 for every Pelsart share they hold
Section 411	Section 411 of the Corporations Act

Reference	Definition
Section 611	Section 611 of the Corporations Act
Shareholders	Shareholders of Pelsart not associated with Sanfield
SID	Scheme Implementation Deed
Sum-of-Parts	A combination of different methodologies used together to determine an overall value where separate assets and liabilities are valued using different methodologies
Target	Pelsart Resources N.L.
Technical Specialist Report	Independent Technical Specialist Report
The Act	The Corporations Act 2001 Cth
The Act	The Corporations Act 2001 Cth
The Adjusted Model	The model prepared by Pelsart detailing the cash flows for the Timburu Project adjusted by BDO with updated assumptions
The Company	Pelsart Resources N.L.
The Model	Detailed cash flow model for PTK Project prepared by the management of Pelsart
The Model	The model prepared by Pelsart detailing the cash flows for the Timburu Project
The Scheme	The proposed scheme of arrangement between Pelsart and Sanfield
Timburu	The main project for PTK
TKS	Tambang Kencana Singapore PTE. Ltd.
Us	BDO Corporate Finance (WA) Pty Ltd
US\$	United States Dollars
USD	United States Dollars
USGS	United States Geological Survey
Valmin Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition)
Valuation Engagement	An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.
VRM	Valuation and Resource Management Pty Ltd
VWAP	Volume Weighted Average Price
WA	Western Australia
WACC	Weighted Average Cost of Capital
We	BDO Corporate Finance (WA) Pty Ltd

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Appendix 2 - Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 Net asset value ('NAV')

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 Quoted Market Price Basis ('QMP')

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

3 Capitalisation of future maintainable earnings ('FME')

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ('EBIT') or earnings before interest, tax, depreciation and amortisation ('EBITDA'). The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

4 Discounted future cash flows ('DCF')

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a startup phase, or experience irregular cash flows.

5 Market Based Assessment

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

The resource multiple is a market based approach which seeks to arrive at a value for a company by reference to its total reported resources and to the enterprise value per tonne/lb of the reported resources of comparable listed companies. The resource multiple represents the value placed on the resources of comparable companies by a liquid market.

Appendix 3 - Discount rate assessment

PTK discount rate

Determining the correct discount rate, or cost of capital, for a business (or project) requires the identification and consideration of a number of factors that affect the returns and risks of the business, as well as the application of widely accepted methodologies for determining the returns of a business.

The discount rate applied to the forecast cash flows from a business represents the financial return that will be required before an investor would be prepared to acquire (or invest in) the business.

The capital asset pricing model ('CAPM') is commonly used in determining the market rates of return for equity type investments and project evaluations. In determining a business' WACC, the CAPM results are combined with the cost of debt funding. WACC represents the return required on the business, whilst CAPM provides the required return on an equity investment.

In our assessment of the appropriate discount rate for PTK's Timburu Project, we consider the most appropriate discount rate to be the cost of equity. This is because the Adjusted Model has a consideration for the debt repayments and therefore, we are discounting the resultant cash flows which are wholly attributable to the equity holders of PTK's Timburu Project.

Cost of Equity and Capital Asset Pricing Model

CAPM is based on the theory that a rational investor would price an investment so that the expected return is equal to the risk-free rate of return plus an appropriate premium for risk. CAPM assumes that there is a positive relationship between risk and return, that is, investors are risk averse and demand a higher return for accepting a higher level of risk.

CAPM calculates the cost of equity and is calculated as follows:

CAPM	
K_e	$= R_f + B \times (R_m - R_f)$
Where:	
K_e	= expected equity investment return or cost of equity in nominal terms
R_f	= risk free rate of return
R_m	= expected market return
$R_m - R_f$	= market risk premium
B	= equity beta

The individual components of CAPM are discussed below.

Risk Free Rate (Rf)

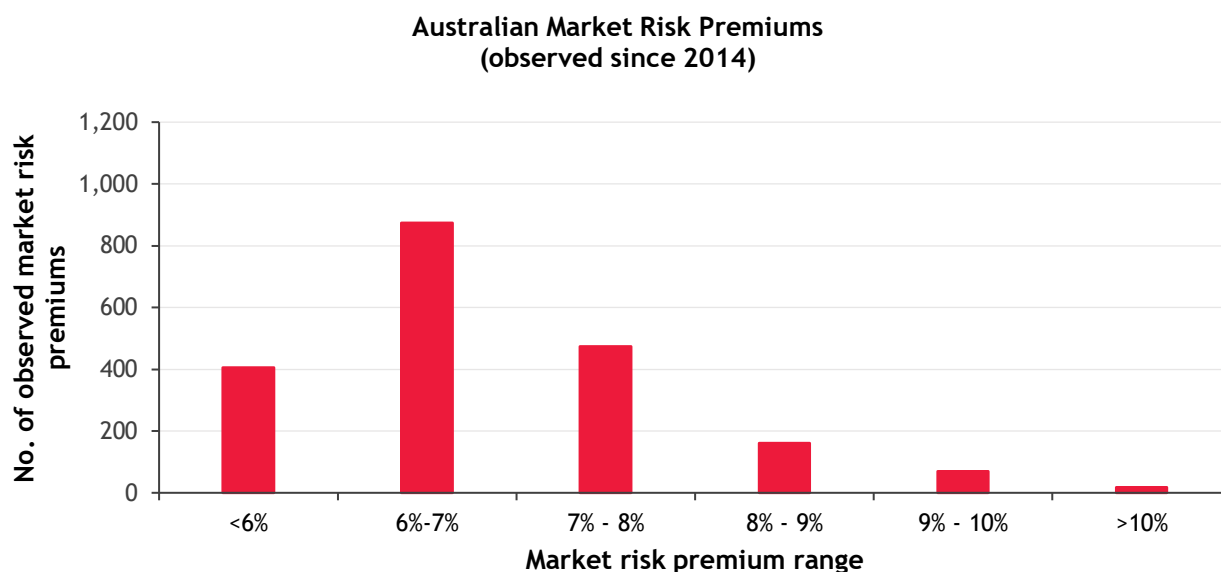
The risk free rate is typically approximated by reference to a forecast long term government bond rate with a maturity approximately equivalent to the timeframe over which the returns from the assets are expected to be received.

In determining an appropriate ten-year bond rate to use as a proxy for the risk free rate we have given consideration to the ten-year US Federal Reserve Bond rate. We have chosen the US Federal Reserve rate as PTK realizes cashflows in USD. Based on this analysis, we have used a risk-free rate of 4.51% in our analysis.

Market Risk Premium ($R_m - R_f$)

The market risk premium represents the additional return that investors expect from an investment in a well-diversified portfolio of assets. It is common to use a historical risk premium, as expectations are not observable in practice. In order to determine an appropriate market risk premium in Australia, we have analysed historical data. Our sample of data included the daily historical market risk premiums in Australia over the last ten years.

The market risk premium is derived on the basis of capital weighted average return of all members of the S&P 200 Index minus the risk free rate, which is dependent on the 10-year Australian Government Bond rate.



Source: Bloomberg and BDO analysis

The graph above illustrates the frequency of observations of the Australian market risk premium over the past ten years. The graph indicates that a high proportion of the sample data for Australian market risk premiums lie in the range of 6% to 8%. This is supported by the long term historical average market risk premium of between 6% and 8%, which is commonly used in practice.

In addition to the above historical analysis, we maintain a database of market risk premiums adopted by other valuation practitioners. This database indicates that 6% is the median market risk premium adopted by reputable valuation practitioners in Australia, with the mean being 6.1%.

Based on the above analysis, and our professional judgement, we have used a market risk premium of 6% in our assessment.

Equity Beta

Beta is a measure of the expected correlation of an investment's return over and above the risk free rate, relative to the return over and above the risk free rate of the market. A beta greater than one implies that an investment's return will outperform the market's average return in a bullish market and underperform the market's average return in a bearish market. On the other hand, a beta less than one implies that the business will underperform the market's average return in a bullish market and outperform the market's average return in a bearish market.

Equity betas are normally estimated using either an historical beta or an adjusted beta. The historical beta is obtained from the linear regression of a stock's historical data and is based on the observed

relationship between the security's return and the returns on an index. An adjusted beta is calculated based on the assumption that the relative risk of the past will continue into the future, and is hence derived from historical data. It is then modified by the assumption that a stock will move towards the market over time, taking into consideration the industry risk factors, which make the operating risk of the company greater or less risky than comparable listed companies.

It is important to note that it is not possible to compare the equity betas of different companies without having regard to their gearing levels. It is generally accepted that a more valid analysis of betas can be achieved by 'ungearing' the equity beta to derive an asset beta (B_a) by applying the following formula:

Asset beta (B_a)	
B_a	$= B / (1 + (D/E \times (1-t)))$
Where:	
B_a	= ungeared or asset beta
B	= equity beta
D	= value of debt
E	= value of equity
t	= corporate tax rate

Selected Beta (B)

In order to assess the appropriate equity beta for PTK's Timburu Project we have had regard to the equity beta of ASX-listed gold producing companies with operations in Australia. The ASX-listed companies identified have similar operations to PTK, in respect of commodity exposure, stage of development and geographic location of operations.

The betas have been assessed over a four-year period using weekly returns, against the S&P/ASX All Ordinaries Index.

The list of companies we selected are set out below:

Company	Market Capitalisation as at 31-May-24 (U\$m)	Gear Beta (B)	Gross Debt/Equity (%)	Ungear Beta (B_a)	R ²
Kingsgate Consolidated Limited	311.53	1.03	141%	0.49	0.14
Kingston Resources Limited	39.44	1.39	13%	1.27	0.24
Sihayo Gold Limited	16.21	1.24	23%	1.06	0.05
St Barabara Limited	127.66	1.06	2%	1.04	0.14
Tietto Minerals Limited	513.93	1.26	7%	1.19	0.21
Mean	201.75	1.20	0.37	1.01	0.16
Median	127.66	1.24	0.13	1.06	0.14

Source: Bloomberg and BDO analysis

As set out in the table above, the ungeared beta for the list of comparable companies, based on the five-year period, ranges from 0.49 to 1.27 with a mean and median of 1.01 and 1.06, respectively. Descriptions of the comparable companies are provided at the end of this appendix.

In selecting an appropriate beta for PTK's Timburu Project, we have considered the similarities and differences of PTK's Timburu Project compared to the set of comparable companies as set out above. The comparable similarities and differences noted are:

- the comparable companies are all exposed to the gold industry;
- the comparable companies are all listed on the ASX;
- the flagship assets of the comparable companies are located in countries similar to that of Indonesia on the basis of geographical exposure and risk profile; and
- although not all companies in the list have similar metrics across each of the assessed factors, we still consider them to be comparable companies as they have sufficient similarities on an overall basis.

We note that the comparable companies of Kingston Resources Limited and Tietto Minerals Limited have the highest Coefficient of Determination ('R²') values of 0.24 and 0.21 respectively, which implies a greater correlation with movements in the S&P/ASX All Ordinaries Index relative to the other comparable companies such as Sihayo Gold Limited. We note this is considered when determining the equity beta to use, through higher weighting towards Kingston Resources Limited and Tietto Minerals Limited.

Based on the above, we have elected to adopt an equity beta range of 1.20 to 1.30 based on our dataset.

Gearing

Before determining the discount rate for PTK's Timburu Project, the proportion of funding provided by debt and equity (i.e. gearing ratio) over the forecast period must be determined.

To derive the debt to equity ratio of PTK's Timburu Project, we have considered the funding structures of the peer group of comparable companies. Based on our analysis, we concluded that a 40% debt-to-equity ratio would be most appropriate for the Timburu Project based on the mean debt to equity ratio of the comparable peers.

Regeared beta

Applying the above 40% debt-to-equity ratio to the ungeared beta range calculated previously results in a regeared beta range of between 1.57 and 1.71.

Tax rate

We have adopted a tax rate of 22% based on Indonesia's corporate tax rate.

Cost of Equity (PTK)

We have assessed the cost of equity of PTK to be in the range of 13.96% to 14.74%, with our preferred discount rate being a rounded midpoint of 14% (rounded to the nearest 1%).

Input	Value adopted	
	Low	High
Risk free rate of return	4.51%	4.51%
Equity market risk premium	6.00%	6.00%
Beta	1.57	1.71
Cost of Equity	13.96%	14.74%

Source: Bloomberg and BDO analysis

Set out below are the company descriptions of the comparable companies to PTK.

Company Name	Business Description
Sihayo Gold Limited (ASX:SIH)	Sihayo Gold Limited engages in the exploration and development of mineral resources primarily in Indonesia. The company explores for gold and silver deposits. Its projects include the Sihayo Pungkut project located in Mandailing Natal, North Sumatra; and the Hutabargot Julu project situated at the southern end of the Sihayo Gold Belt. Sihayo Gold Limited was incorporated in 1987 and is based in Brighton, Australia.
Kingsgate Consolidated Limited (ASX:KCN)	Kingsgate Consolidated Limited engages in the exploration, development, and mining of gold and silver mineral properties. The company holds a 100% interest in the Nueva Esperanza gold/silver project located in the Atacama region of northern Chile and Chatree gold mine located in central Thailand. Kingsgate Consolidated Limited was incorporated in 1970 and is based in Sydney, Australia.
Kingston Resources Limited (ASX:KSN)	Kingston Resources Limited engages in the exploration, production, and evaluation of mineral properties in Australia and Papua New Guinea. The company's flagship project includes the Misima Gold project located in the Papua New Guinea. It also has interests in the Mineral Hill gold and copper mine located in Cobar, New South Wales. Kingston Resources Limited was incorporated in 1985 and is based in North Sydney, Australia.
Tietto Minerals Limited (ASX:TIE)	Tietto Minerals Limited engages in the development, exploration, and production of gold properties in West Africa. The company's primary project Abujar gold project comprises three tenements covering an area of 1,114 square kilometers located in western Côte D'Ivoire. The company was incorporated in 2010 and is based in West Perth, Australia.
St Barbara Limited (ASX:SBM)	St Barbara Limited, together with its subsidiaries, engages in the exploration, development, mining, and sale of gold. It operates three operational business units, including Leonora Operations, Simberi Operations, and Atlantic Operations. The company also explores for silver deposits. Its properties include the Gwalia underground mine located in Leonora, Western Australia; the Simberi gold mine located in New Ireland province, Papua New Guinea; and Atlantic Gold operations in Nova Scotia, Canada. The company was incorporated in 1986 and is based in Perth, Australia.

Bridgeport Royalty discount rate

In our valuation of the Bridgeport Royalty, the free cash flows derived from the Bridgeport Royalty Model are project level cash flows. Therefore, the appropriate discount rate to apply is the nominal post-tax WACC. The WACC is built up from the cost of debt and cost of equity for the asset or business.

For the cost of equity component of the WACC, we consider CAPM. The individual components of CAPM are discussed below.

Risk Free Rate (R_f)

We note Pelsart have provided production forecasts associated with the royalty up to 2028. The risk free rate chosen will match the maturity approximately equivalent to the timeframe over which the returns from the assets are expected to be received. We have adopted a risk free rate of 4.11% based on the five-year Australian Government Bond rate.

Market Risk Premium ($R_m - R_f$)

Consistent with our discount rate assessment for PTK's Timburu Project, we have adopted an Australian market risk premium of 6% for Bridgeport Royalty.

Selected Beta (β)

In order to assess the appropriate equity beta for Bridgeport Royalty, we have considered the equity betas of ASX-listed gas producing companies with operations in Australia. We also note that our assessment excludes the equity beta of New Hope, and only takes into account the comparable companies.

The betas below have been assessed over a four-year period, against the S&P/ASX All Ordinaries Index.

The list of comparable companies we selected for the Bridgeport Royalty are set out below:

Company	Market Capitalisation as at 31-May-24 (A\$m)	Gear Beta (β)	Gross Debt/Equity (%)	Ungeared Beta (β_a)	R ²
New Hope Corporation Limited	4,099.88	0.87	3%	0.85	0.08
Beach Energy Limited	3,821.23	1.34	13%	1.22	0.30
Brookside Energy Limited	57.17	1.28	0%	1.28	0.06
Byron Energy Limited	49.62	1.17	18%	1.04	0.09
Cooper Energy Limited	607.21	0.78	49%	0.58	0.05
Cue Energy Resources Limited	69.84	0.89	0%	0.89	0.05
Mean	1,450.83	1.05	14%	0.98	0.10
Median	338.52	1.03	8%	0.96	0.07

Source: Bloomberg and BDO analysis

As set out in the table above, the ungeared beta for the list of comparable companies, based on the four-year period, ranges from 0.58 to 1.28 with a mean and median of 0.98 and 0.96, respectively. Descriptions of the comparable companies are provided at the end of this appendix.

In selecting an appropriate beta for the Bridgeport Royalty, we have considered the similarities and differences of the Bridgeport Royalty compared to the set of comparable companies as set out above. The comparable similarities and differences noted are:

- the comparable companies are all exposed to the gas industry in Australia;
- the comparable companies are all listed on the ASX with head offices based in Australia; and
- the flagship assets of the comparable companies are located in Queensland, and/or in South Australia;

In selecting an appropriate equity beta for the Bridgeport Royalty, we have considered the ungeared betas of the companies listed above along with the aforementioned factors. We note the ungeared beta for New Hope is lower than that of the sample mean and median. Based on our analysis, we consider an appropriate ungeared beta for Bridgeport Royalty to be in the range of 0.8 to 0.9.

Therefore, we elected to adopt an equity beta range of 0.8 to 0.9 based on our dataset.

Gearing

Before determining the discount rate for Bridgeport Royalty, the proportion of funding provided by debt and equity (i.e. gearing ratio) over the forecast period must be determined.

To derive the debt to equity ratio of Bridgeport Royalty, we have considered the funding structures of the peer group of comparable companies. Based on our analysis, we concluded that a 20% debt-to-equity ratio would be most appropriate for the royalty based on the mean debt to equity ratio.

Regeared beta

Applying the above 20% debt-to-equity ratio to the ungeared beta range calculated previously results in a regeared beta range of between 0.91 and 1.03.

Cost of Equity

We have assessed the cost of equity for Bridgeport Royalty to be in the range shown in the table below with our preferred value being a rounded midpoint of 10%.

Input	Value adopted	
	Low	High
Risk free rate of return	4.11%	4.11%
Equity market risk premium	6.00%	6.00%
Beta (regeared)	0.91	1.03
Cost of Equity	9.58%	10.27%

Source: Bloomberg and BDO analysis

Cost of Debt

We have used a cost of debt range of 8% to 10% in our analysis. Based on independent research and the comparable cost of debt from our comparable companies.

WACC

Having consideration for the inputs set out above, we have calculated Bridgeport Royalty's WACC to be:

Input	Value Adopted	
	Low	High
Cost of Equity (Ke)	9.58%	10.27%
Cost of Debt (Kd)	8.00%	10.00%
Proportion of Equity (E/(E+D))	83.33%	83.33%
Proportion of Debt (D/(E+D))	16.67%	16.67%
WACC	8.92%	9.72%

Source: BDO analysis

Based on the above, we estimated a rounded nominal post-tax WACC of 9% to 10%, with a rounded preferred value of 9%.

Set out below are the company descriptions of the comparable companies to New Hope.

Company Name	Business Description
Beach Energy Limited (ASX:BPT)	Beach Energy Limited operates as an oil and gas exploration and production company. It engages in the operated and non-operated, onshore and offshore, and oil and gas production in five producing basins across Australia and New Zealand. The company also explores, develops, produces, and transports hydrocarbons; and sells gas and liquid hydrocarbons. The company was formerly known as Beach Petroleum Limited and changed its name to Beach Energy Limited in December 2009. The company was incorporated in 1961 and is headquartered in Adelaide, Australia.
Brookside Energy Limited (ASX:BRK)	Brookside Energy Limited, together with its subsidiaries, engages in the exploration, production, and appraisal of oil and gas projects. The company develops oil and gas assets in the Anadarko Basin in Oklahoma, the United States. It is also involved in the leasing and development of acreage opportunities. The company was formerly known as Red Fork Energy Limited and changed its name to Brookside Energy Limited in June 2015. Brookside Energy Limited was incorporated in 2004 and is headquartered in Perth, Australia.
Byron Energy Limited (ASX:BYE)	Byron Energy Limited engages in the exploration, development, and production of oil and gas properties. It holds working interests in various blocks located in the shallow waters of the Gulf of Mexico, the United States. The company was incorporated in 2005 and is headquartered in Melbourne, Australia.
Cooper Energy Limited (ASX:COE)	Cooper Energy Limited, an upstream gas and oil exploration and production company, engages in securing, finding, developing, producing, and selling of hydrocarbons in Australia. The company produces offshore gas liquids from the Sole gas field in the Gippsland Basin, Victoria; and Casino, Henry, Netherby gas fields in the Otway Basin, Victoria, as well as onshore oil production and exploration in the Cooper Basin, South Australia. It also operates Manta and Gummy gas and liquids fields in the Gippsland Basin. Cooper Energy Limited was incorporated in 2001 and is headquartered in Adelaide, Australia.
Cue Energy Resources Limited (ASX:CUE)	Cue Energy Resources Limited, an oil and gas exploration and production company, engages in the exploration, development, and production of petroleum. It has petroleum assets in Australia, New Zealand, and Indonesia. The company was incorporated in 1981 and is headquartered in Melbourne, Australia.

Source: S&P Capital IQ and BDO analysis

Appendix 4 - Minority interest discount

In order to assess an appropriate minority interest discount applicable to Pelsart's 9% holding in KBK, we have first had to consider and assess an appropriate premium for control.

The concept of a premium for control reflects the additional value that is attached to a controlling interest. We have reviewed control premiums on completed transactions, paid by acquirers of gold mining companies, general mining companies and all ASX-listed companies.

In assessing the appropriate sample of transactions from which to determine an appropriate control premium, we have excluded transactions where an acquirer obtained a controlling interest (20% and above) at a discount (i.e., less than a 0% premium). We have summarised our findings below.

ASX-listed gold mining companies

Year	Number of transactions	Average deal value (\$m)	Average control premium (%)
2024	2	438.76	5.06
2023	4	184.59	25.33
2022	4	3792.50	17.46
2021	4	1520.23	35.98
2020	1	2748.89	10.10
2019	1	219.98	56.41
2018	2	31.26	21.77
2017	2	13.74	41.04
2016	4	23.31	47.88
2015	3	48.26	57.90
2014	5	143.87	35.31

Source: Bloomberg, BDO analysis

ASX-listed general mining companies

Year	Number of transactions	Average deal value (\$m)	Average control premium (%)
2024	5	271.65	37.56
2023	14	162.16	30.31
2022	9	1929.90	22.67
2021	6	1235.14	29.89
2020	5	592.06	35.90
2019	9	182.08	41.27
2018	6	68.30	28.27
2017	4	9.28	39.86
2016	10	72.56	50.15
2015	6	318.69	58.37
2014	9	85.05	28.96

Source: Bloomberg, BDO analysis

All ASX-listed companies

Year	Number of transactions	Average deal value (\$m)	Average control premium (%)
2024	12	448.87	27.32
2023	39	389.88	27.56
2022	44	2820.06	24.10
2021	31	991.52	33.34
2020	18	346.79	42.58
2019	35	3559.38	29.30
2018	28	1459.18	29.16
2017	28	1004.89	33.32
2016	28	490.46	38.53
2015	31	858.31	31.60
2014	26	466.39	33.15

Source: Bloomberg, BDO analysis

The mean and median of the entire data sets comprising control transactions from 2014 onwards for ASX-listed gold mining companies, ASX-listed general mining companies and all ASX-listed companies, are set out below:

Entire data set metrics	ASX-listed gold mining		ASX-listed general mining		All ASX-listed	
	Average deal value (\$m)	Average control premium (%)	Average deal value (\$m)	Average control premium (%)	Average deal value (\$m)	Average control premium (%)
Mean	866.75	33.09	449.37	36.00	1,326.81	31.12
Median	55.21	30.90	59.31	30.42	105.40	27.17

Source: BDO Analysis

In arriving at an appropriate control premium to apply we note that observed control premiums can vary due to the:

- Nature and magnitude of non-operating assets;
- Nature and magnitude of discretionary expenses;
- Perceived quality of existing management;
- Nature and magnitude of business opportunities not currently being exploited;
- Ability to integrate the acquiree into the acquirer's business;
- Level of pre-announcement speculation of the transaction; and
- Level of liquidity in the trade of the acquiree's securities.

When performing our control premium analysis, we considered completed transactions where the acquirer held a controlling interest, defined as 20% or above, pre-transaction or proceeded to hold a controlling interest post-transaction in the target company.

We have removed transactions for which the announced premium was in excess of 100%. We have removed these transactions because we consider it likely that the acquirer in these transactions would be paying for special value and/or synergies in excess of the standard premium for control. Whereas the purpose of this analysis is to assess the premium that is likely to be paid for control, not specific strategic value to the acquirer.

The table above indicates that the long-term average control premium paid by acquires of ASX-listed gold mining companies, ASX-listed general mining companies and all ASX-listed companies is approximately

33.09%, 36.00% and 31.22%, respectively. However, in assessing the transactions included in the table above, we noted that control premiums appear to be positively skewed.

In a population where the data is skewed, the median often represents a superior measure of central tendency compared to the mean. The median announced control premium over the assessed period was approximately 30.90% for ASX-listed gold mining companies, 30.42% for ASX-listed general mining companies and 27.17% for all ASX listed companies.

We consider an appropriate control premium to be on the higher end of the spectrum. This is reflective of the degree of risk faced by KBK's business as an Indonesian company with a mined-out asset. For companies of higher risk, an acquirer would not be willing to pay a control premium in line with the historical average. Based on the above, we would consider an appropriate premium for control to be between 30% and 40%, with a preferred midpoint of 35%.

The minority discount is then calculated from the control premium identified, using the formula $[1 - (1/(1+\text{Control Premium}))]$. Therefore, the minority discount (rounded to the nearest percentile) is in the range from 23% to 29%.

Appendix 5 - Technical Specialist Report



PT PELSART INDEPENDENT TECHNICAL ASSESSMENT AND VALUATION REPORT




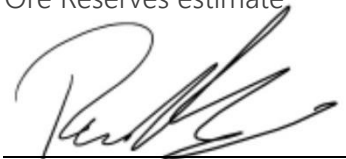
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Competent Persons	M. Dadi Kuswandi (Pelsart) Budy Alfian (Pelsart)	Mineral Resource estimate Ore Reserves estimate 
VRM Approval	Paul Dunbar	 Date: 20 June 2024
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Executive Summary

Valuation and Resource Management Pty Ltd (VRM) was engaged by Pelsart Resources NL (Pelsart) but instructed by BDO Corporate Finance (WA) Pty Ltd (BDO) to prepare an Independent Technical Assessment Report (Report or ITAR), including valuation for the Mineral Assets of Pelsart International NL (Pelsart International), a wholly owned subsidiary of Pelsart. The ITAR is prepared to assist BDO in completing their Independent Expert Report (IER) in relation to a Scheme of arrangement whereby it is proposed that Pelsart major shareholder (Sanfield Holdings Limited; Sanfield), will acquire the remaining 7.09% of shares in Pelsart that it does not already own (Proposed Transaction).

This Report has been prepared as a public document, in the format of an independent Specialist's Report and in accordance with the guidelines of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets – the 2015 VALMIN Code (VALMIN) and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – the 2012 JORC Code (JORC, 2012). VRM's Report will be included within BDO's IER relating to the Proposed Transaction.

This Report is a technical review and valuation opinion of the gold Mineral Assets at the Timburu and Kusan Projects (70% owned), as well as at the Mirah gold deposit where the Company holds a 9% interest in PT Kasongan Bumi Kencana (KBK). Applying the principles of the VALMIN Code, VRM has used several valuation methods to determine the value for the Mineral Assets. Importantly, as neither the principal author nor VRM hold an Australian Financial Securities Licence, this valuation is not a valuation of Pelsart but rather an asset valuation of the projects reviewed herein.

The Valuation Date is 6 May 2024 and remains current with updated commodity prices as at 6 May 2024. This Report includes updated technical information associated with the factual accuracy checking conducted by the Company. As commodity prices, exchange rates and cost inputs fluctuate this valuation is subject to change over time.

The valuation derived by VRM is based on technical information provided by Pelsart along with technical information provided by their subsidiary companies and publicly available data. VRM has made reasonable endeavours to confirm the accuracy, validity and completeness of the technical data which forms the basis of this Report. The opinions and statements in this Report are given in good faith and under the belief that they are accurate and not false nor misleading.

The default currency is Australian dollars (unless otherwise stated). As with all technical valuations the valuation included in this Report is the likely value of the mineral projects and not an absolute value. A range of likely values for the various mineral assets is provided with that range indicating the accuracy of the valuation.

The 70% owned Timburu and Kusan Projects are located in South Kalimantan, with Timburu hosting mineralisation estimates prepared by the Company following the guidelines of the Kode Komite Cadangan Mineral Indonesia (KCMi Code or the Indonesian Code; 2017 edition). Estimates of mineralisation include Mineral Resources and Ore Reserves. For the purposes of this ITAR, the KCMi (2017) estimates have been evaluated as equivalent to JORC (2012), with any identified disparities between the Codes in the Company's estimates outlined herein. The Mirah Deposit in Central Kalimantan has ceased production with no currently reported mineralisation estimates.

Valuation Opinion

VRM has estimated the value of the Projects considering the technical information as available at the valuation date, and as described further in the body of this Report. The valuation is attributed to both the declared Mineral Resources (KCMI, 2017) and the exploration potential where appropriate.

VRM has estimated the value of the Timburu Project as based on the declared Mineral Resource estimates KCMI (2017), although it is uncertain whether future exploration will result in the definition of any Mineral Resources compliant with the JORC (2012) guidelines. The Mineral Resources were valued using a Comparable Transaction method as the primary valuation technique. Secondary valuations were determined based on the Yardstick approach.

At Kusan, the exploration potential assessment is less advanced than at Timburu, with no recent Mineral Resource estimates (KCMI, 2017) available. Similar to Timburu, it is uncertain whether future exploration will result in the definition of any Mineral Resources compliant with the JORC (2012) guidelines. VRM has utilised a Geoscientific or Kilburn valuation approach as a primary method, and a Prospectivity Enhancement Multiplier (PEM) method as a secondary approach.

The residual exploration potential proximal to the Mirah Deposit has been estimated using a Geoscientific or Kilburn approach.

Conclusions

Considering the Mineral Resources at Timburu, the exploration potential at Kusan, and the residual exploration potential at Mirah, in VRM's opinion, the Mineral Assets owned by Pelsart have a market value of between **\$71 million** and **\$118 million**, with a preferred valuation of **\$95 million**. These valuations and the value of the combined assets is summarised in Table ES-1 below.

Table ES-1: Valuation Summary for Projects by valuation method

Asset	Method	Priority	Lower Valuation	Preferred Valuation	Upper Valuation
Gold MREs (Timburu Project)	Comparable Transactions (A\$/oz)	Primary	69.8	93.1	116.4
	Yardstick	Supporting	53.4	81.8	110.3
Exploration Kusan	Geoscientific	Primary	0.8	1.3	1.9
	PEM	Supporting	0.8	0.8	0.9
KBK	Geoscientific	Primary	0.10	0.14	0.19
Total	Various		71	95	118

1. Introduction

Valuation and Resource Management Pty Ltd (VRM) was engaged by Pelsart Resources NL (ABN 72 009 449 101) (Pelsart or the Company) but instructed by BDO Corporate Finance (WA) Pty Ltd (BDO) to prepare an Independent Technical Assessment Report (Report or ITAR), including valuation for the Mineral Assets of Pelsart International NL (Pelsart International) (ABN 22000 842 679), a wholly owned subsidiary of Pelsart. Pelsart and Pelsart International are unlisted public companies. The ITAR is prepared to assist BDO in completing their Independent Expert Report (IER) in relation to a Scheme of arrangement whereby it is proposed that a major shareholder of Pelsart, Sanfield Holdings Limited (Sanfield), will acquire the remaining 7.09% of shares in Pelsart that it does not already own (Proposed Transaction).

The Mineral Assets reviewed are the Timburu and Kusan Projects, which comprise three (3) tenements, each with a Contract of Work (CoW), located on the island of Kalimantan, Indonesia (Figure 1). The Company also holds a 9% interest in PT Kasongan Bumi Kencana (KBK) who holds a claim that hosts a historically producing gold deposit (the Mirah Gold Deposit), also subject to a CoW. The CoW details the legal rights and obligations of Pelsart International in relation to all phases of the mining life cycle, from exploration through to pre-production development, production and mine closure. PT Pelsart Tambang Kencana (PT PTK) is named as holder of the CoW for Timburu and Kusan and is 70%-owned by Pelsart International through a direct 19% interest and 51% indirect interest through a wholly owned subsidiary. PT PTK therefore represents the mining operations subsidiary of Pelsart International, and by extension, Pelsart.

Some of the Projects contain mineralisation estimates prepared following the guidelines of the Kode Komite Cadangan Mineral Indonesia (KCMCI Code or the Indonesian Code). PT PTK has prepared the estimates. The KCMCI Code is a professional code used as a guideline for Public Reporting of mineral and coal Exploration Results, Resources and Reserves (see <https://www.kcmi.or.id>). The KCMCI Code is overseen by the Indonesian Joint Committee for Mineral Reserves and is the Indonesian proxy for the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves - the JORC Code (2012 Edition) (JORC). For the purposes of this ITAR, the KCMCI (2017) estimates have been evaluated as equivalent to JORC (2012). Any disparities identified between the Codes in PT PTK's estimate, that materially impact VRM's valuation opinion, are outlined herein.

The Mineral Assets that contain KCMCI (2017) estimates include the Mentau, Mentau Bawah, Haraan and Kembang-Kecil Prospects within the Timburu Project. An estimate for the Sungai Keruh Project (within the broader Kusan Project) was also reviewed by VRM. Exploration ground outside of the mineralisation estimate areas were considered in the valuation.

1.1 Compliance with the JORC and VALMIN Codes and ASIC Regulatory Guides

In preparing the ITAR, VRM has applied the guidelines and principles of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets – 2015 VALMIN Code (VALMIN) and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – the 2012 JORC Code (JORC). Both industry codes are mandatory for all members of the Australasian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Geoscientists (AIG). These codes are also requirements under Australian Securities and Investments Commission (ASIC) rules and guidelines.

This ITAR is a Public Report as described in the VALMIN Code (Clause 5) and the JORC Code (Clause 9). It is based on, and fairly reflects, the information and supporting documentation provided by PT PTK and associated Competent Persons as referenced in this ITAR and additional publicly available information.

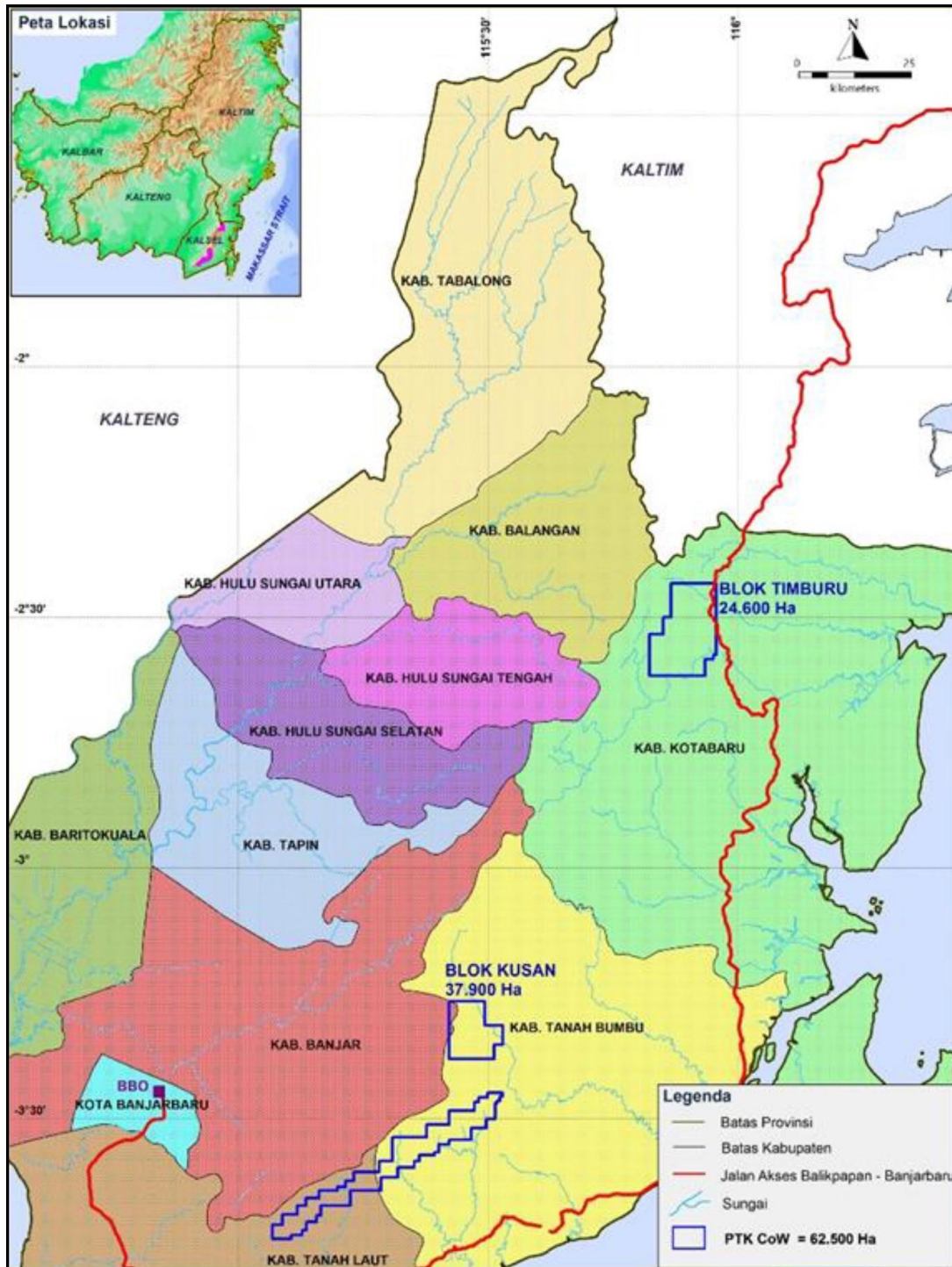


Figure 1: Location of the Timburu and Kusan CoW's in South Kalimantan, Indonesia.

Source: PT PTK, 2023a.

1.2 Scope of Work

VRM's primary obligation in preparing this ITAR is to independently describe and value the Mineral Assets of Pelsart International, applying the guidelines of the JORC and VALMIN Codes. These require that the Report contains all the relevant information at the date of disclosure, which investors and their professional advisors would reasonably require in making a reasoned and balanced judgement regarding the Projects.

VRM has compiled the Report based on the principle of reviewing and interrogating both the documentation of the company involved and their consultants, and other previous exploration within the area. This Report is a summary of the work conducted, completed, and reported by the companies from pegging or acquisition of the Projects to May 2024, based on information supplied to VRM by the Company, and other information sourced in the public domain, to the extent required by the VALMIN and JORC Codes.

VRM understands that its review and Report will be included in the Scheme Booklet and as such, it is understood that VRM's review will be a public document. Accordingly, this ITAR has been prepared in accordance with the requirements of the 2015 VALMIN Code.

1.3 Statement of Independence

VRM was engaged to undertake an ITAR of the Projects that comprise the asset portfolio of Pelsart International. This work was conducted applying the principles of the JORC and VALMIN Codes, which in turn reference ASIC Regulatory guide 111 Content of expert reports (RG111) and ASIC Regulatory guide 112 Independence of Experts (RG112).

Dr Louis Bucci, Mr Peter Fairfield and Mr Paul Dunbar of VRM have not, within the past two years had any association with Pelsart International, its individual employees, or any interest in the securities of Pelsart International or potential interest, nor are they expected to be employed by either Company after the proposed transaction, which could be regarded as affecting their ability to give an independent, objective, and unbiased opinion. VRM will be paid a fee for this work based on standard commercial rates for professional services. The fee is not contingent on the results of this review and is estimated to be approximately \$50,000.

1.4 Competent Persons Declaration and Qualifications

This Report was prepared by Dr Louis Bucci and Mr Peter Fairfield as the primary authors. Mr Paul Dunbar Peer reviewed the Report.

The Report and information that relates to Mineral Asset valuation, estimates of mineralisation (KCM1 Code relative to JORC, 2012) and exploration potential was completed by Dr Bucci and Mr Peter Fairfield, both associates of VRM.

Dr Louis Bucci, PhD, B App Sc (Hons), is a member of the AIG, an associate of VRM and has over 23 years of experience which is relevant to the style of mineralisation, geology, and type of deposit under consideration, and to the activity being undertaken to qualify as a Competent Person under the 2012 JORC Code.

The information in this Report that relates to the Technical Assessment of the Ore Reserves, and aspects of the proposed mining and development of the Project, reflects information reviewed by, and

conclusions derived by, Mr Peter Fairfield, who is a Fellow of the AusIMM and who has a BEng in Mining Engineering with over 30 years' experience. Peter is an associate of VRM.

The Report was peer reviewed by Mr Paul Dunbar, BSc (Hons), MSc, a Competent Person who is a member of the AusIMM and the AIG. Mr Dunbar is a Principal of VRM and has over 30 years' experience relevant to the style of mineralisation, geology, and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person under the 2012 JORC Code and a Specialist under the 2015 VALMIN Code. Mr Dunbar consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Between 15 March 2024, being the date that the proposed transaction was reported to shareholders and the date of this Report, nothing has come to the attention of VRM unless otherwise noted in the Report that would cause any material change to the conclusions. The valuation date for the report is 6 May 2024.

1.5 Reliance on Experts

The authors of this Report are not qualified to provide extensive commentary on the legal aspects of the tenure of the mineral properties or the compliance with the legislative environment and permitting in Indonesia. In relation to the tenement standing, VRM has relied on the information provided by the Company and the Management of PT PTK. On this basis VRM has confirmed the tenements which constitute the Projects held by Pelsart International are in good standing.

In respect of the information contained in this Report, VRM has relied on technical Information and Reports obtained from Pelsart International or the public domain including but not limited to:

- Presentation material including several cross sections and plans.
- Various internal reports, including previous owner exploration results and mineralisation estimates where applicable.
- Digital datasets including results from drilling, mineralisation modelling and statistical analysis.
- Publicly available information including several publications on the regional geology and tectonic evolution of the South Kalimantan Province; and
- Government Regional datasets, including geological mapping and explanatory notes.

All information and conclusions within this Report are based on information that VRM requested from the Company to assist with this Report and other relevant publicly available data to May 2024.

Reference has been made to other sources of information, published and unpublished, including government reports and reports prepared by previous interested parties and joint venturers to the areas, where it has been considered necessary. VRM has, as far as possible and making all reasonable enquiries, attempted to confirm the authenticity and completeness of the technical data used in the preparation of this Report and to ensure that it had access to all relevant technical information. VRM has assessed the content of these reports and information and confirm that the contents are reasonable and that they meet the Reasonable Grounds Requirements. VRM has relied on the information contained within the reports, articles and databases provided by Pelsart International as detailed in the reference list.

A redacted draft of this Report was provided to BDO for provision to the Company, for the purpose of identifying and addressing any factual errors or omissions prior to finalisation of the Report. The

valuation sections of the Report were not provided to the Company until the technical aspects were validated and the Report was declared final.

This ITAR contains statements attributable to third parties. These statements are made or based upon statements made in previous technical reports that are proprietary to the Company. The authors of these previous reports have not consented to the statements' use in this report, and these statements are included in accordance with ASIC Corporations (Consent to Statements) Instrument 2016/72.

1.6 Site visit

VRM and associates have worked extensively in Indonesia for over 20 years and are familiar with the sites under review. Dr Louis Bucci has visited similar sites owned by the Company (Mt Muro) and is aware of site conditions through detailed reviews of documents and imagery provided by the Company.

Imagery reviewed includes that of drill core, and satellite data displaying site disturbance and drilling sites, as well as locations for planned site-supporting infrastructure including logistics routes.

VRM has further held extensive interviews with senior technical and corporate management of the asset and undertaken multiple technical-economic focussed meetings for verification purposes relative to the data presented for this review.

For these reasons, VRM considers that a site visit as part of this review would not have provided any material information additional to that determined through the aforementioned review process.

2. Mineral Assets

2.1 Tenure Details

The main Projects cover an extensive area of approximately 62,500 Ha in South Kalimantan Province across two (2) Blocks as confirmed by the Decree of the Minister of Energy and Mineral Resources No. 215.K/30/DJB/2019 *Tentang Persetujuan Peningkatan Tahap Operasi Produksi dan Penciutan Wilayah Kontrak Karya PT Pelsart Tambang Kencana* (see Figure 2 and Figure 3).

The Company also holds a 9% interest in Contract of Work Number 788.K/30/DJB/2012 (claim identification code 1300002062014072) controlled by PT Kasongan Bumi Kencana (KBK) in Central Kalimantan. Further details of this project are presented in Section 5.

The two (2) main Project Blocks are referred to as Timburu and Kusan, with PT PTK listed as the owners of the CoW's, in accordance with Contract of Work Number B.53/Pres/1/1998 signed by the President of the Republic of Indonesia on 19 January 1998 (Contract of Work Generation VII). PT PTK confirm that this signatory date was later amended on 11 September 2019. The Contract of Work Areas are referenced with the code 05PK105/1300002062014061, with the Timburu Block accounting for an area of 24,600 Ha (Figure 2) and the Kusan Block an area of 37,900 Ha (Figure 3). The Kusan Block is further defined as two (2) non-contiguous areas, termed North Kusan and South Kusan.

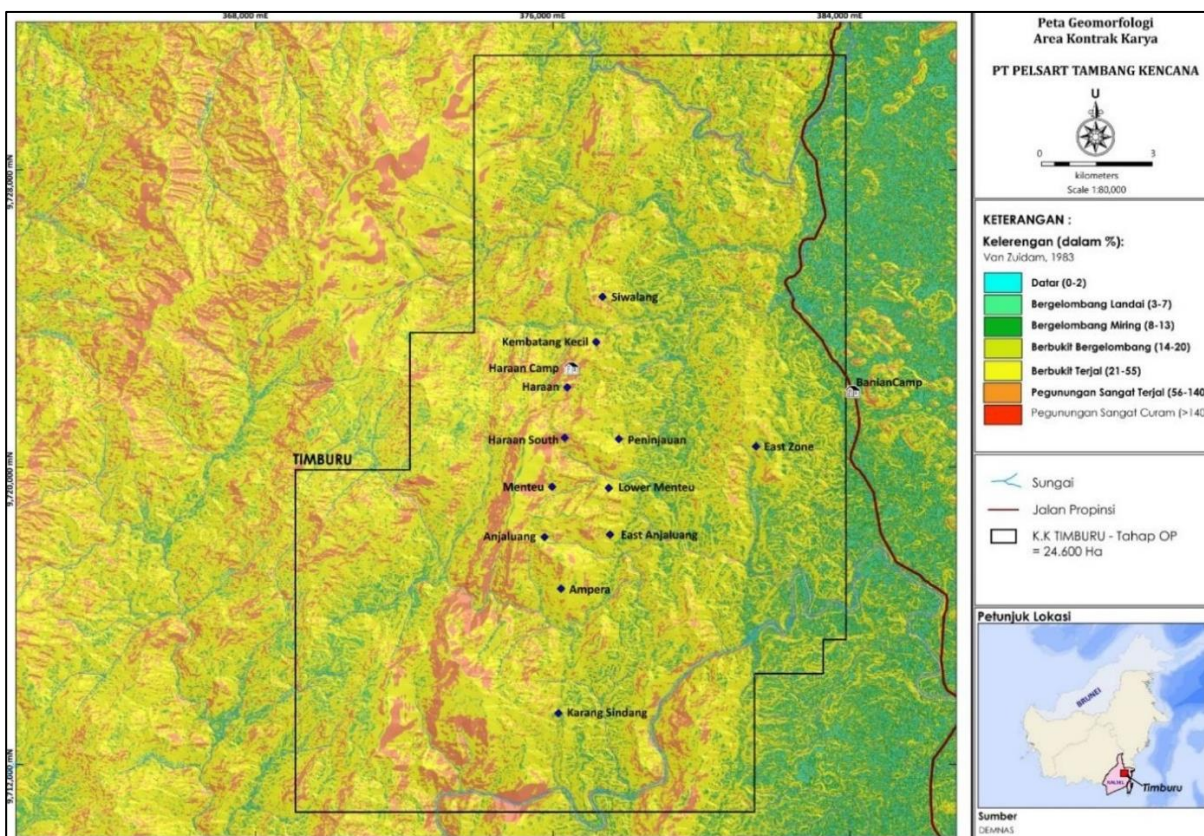


Figure 2: Location of the Timburu Block in Kalimantan, Indonesia.

Source: PT PTK, 2023a.

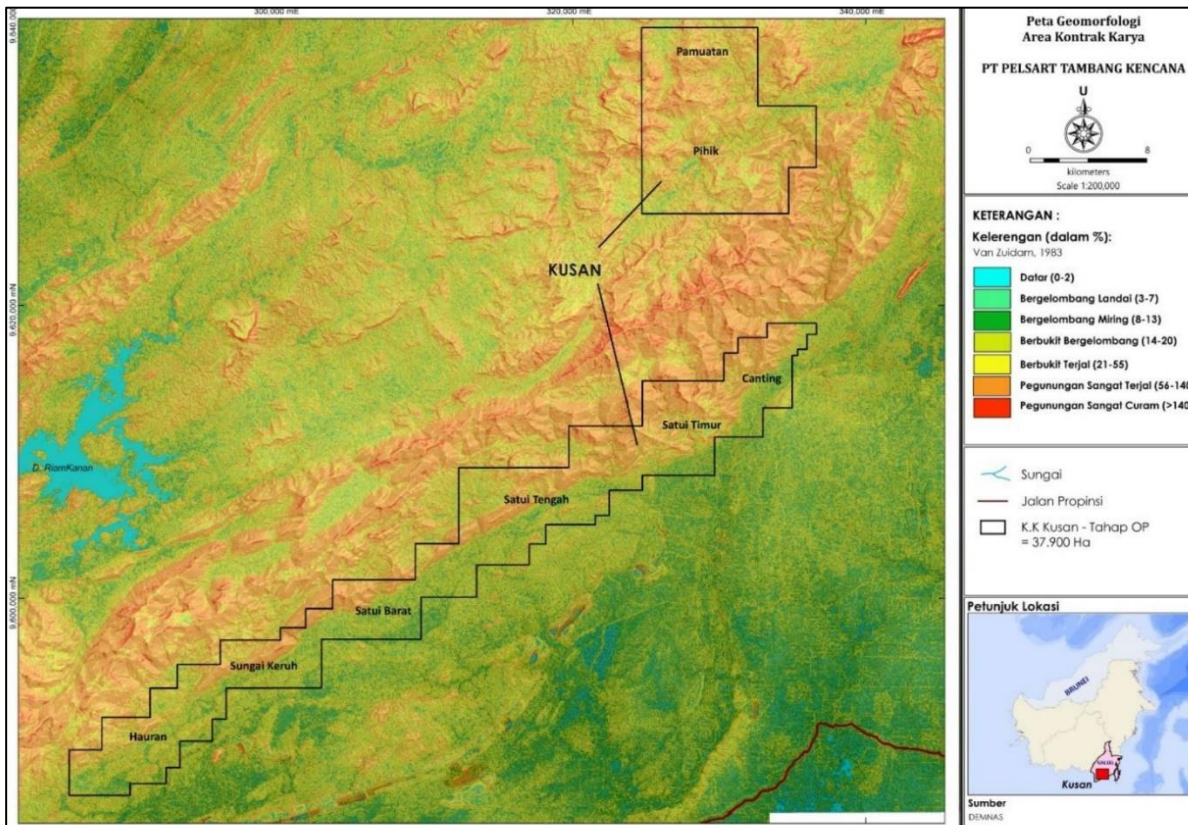


Figure 3: Location of the North and South Kusan Blocks in Kalimantan, Indonesia.

Source: PT PTK, 2023a.

VRM is not qualified or a specialist in mining tenure or Indonesian Mining Law (2020) and as such no warranty, actual or implied is made regarding the validity or security of the tenure listed in Appendix A and shown in Figure 1. The CoW's have not been validated by VRM.

2.2 Location and Access

The Timburu and Kusan Blocks cover numerous administrative Regencies as defined by the Minister of Energy and Mineral Resources in decree No. 215.K/30/DJB/2019. These are Banjar Regency, Tanah Laut Regency, Tanah Bumbu Regency and Kotabaru Regency in South Kalimantan Province.

The Timburu Block can be reached by airplane from Jakarta to Banjarmasin, followed by land transportation over ~420km to Banian Village, Sungai Durian District. Similarly, The Kusan block can be reached by airplane to Banjarmasin from Jakarta, then by land transportation over ~100km to Asam.

3.2 Local Geology and Mineralisation

The local geology is broadly the same at Timburu (i.e. the Menteu, Haraan and Kembang-Kecil deposits) and Kusan.

The lithological sequence includes ultramafic rocks, including lherzolites and pyroxenites with minor harzburgites and dunite units, representative of a likely ophiolitic sequence (Figure 5). Generally, these rocks are serpentinized and display variable amounts of carbonate-quartz-talc alteration.

The ultramafic sequence is intruded by broadly diabase-diorite composition dikes, as well as Feldspar Porphyry (FP) and Quartz Feldspar Porphyry (QFP) intrusions. Drilling and surface mapping suggests the FP intrusions are structurally emplaced, while the QFP is generally characterised by typical intrusive contacts with associated alteration and silicification of the intruded sequence (PT PTK, 2023a).

The QFP is generally dacitic in composition, with medium- to coarse-grained circular quartz phenocrysts and square feldspar megacrysts. The QFP is generally sparsely fractured and is interpreted to act as a rigid body within the sequence, and a potentially preferential mineralising unit due to competency contrast with adjacent more mafic units (PT PTK, 2023a).

Diorite-diabase dikes trend broadly N-S and NW-SE and vary in thickness from 5-10m. In places, the dikes are locally silicified and contain quartz-carbonate-magnetite-hematite-chalcopyrite-gold veins. At Haraan and Kembang-Kecil, minor chert and volcanic rocks are also described (Figure 6).

Gold mineralization is manifest as strong quartz-carbonate alteration in relatively more felsic units. Silicified ultramafic units containing gold mineralization are characterized by replacement of secondary quartz in early carbonate alteration, and disseminated fine grained sulphides dominated by pyrite (PT PTK, 2023a).

The mineralization system is interpreted to have evolved over 3 stages (i.e., Minz 1, Minz 2 and Minz 3).

- Minz 1 is interpreted to have developed first within ultramafic and diorite-diabase units, pre-emplacement of the FP and QFP intrusions in the Late Cretaceous.
- Minz 2 is developed in FP and QFP intrusion bodies as quartz sulphide veins with Au-Ag-As-Te-Hg associations; and
- Minz 3 is the youngest event and represents the main mineralisation at Menteu. It is generally best developed in the FP unit, with minor development in the QFP.

The Company has proposed an orogenic-lode gold mineralisation model for the area, associated with the uplift of the Meratus Mountains.

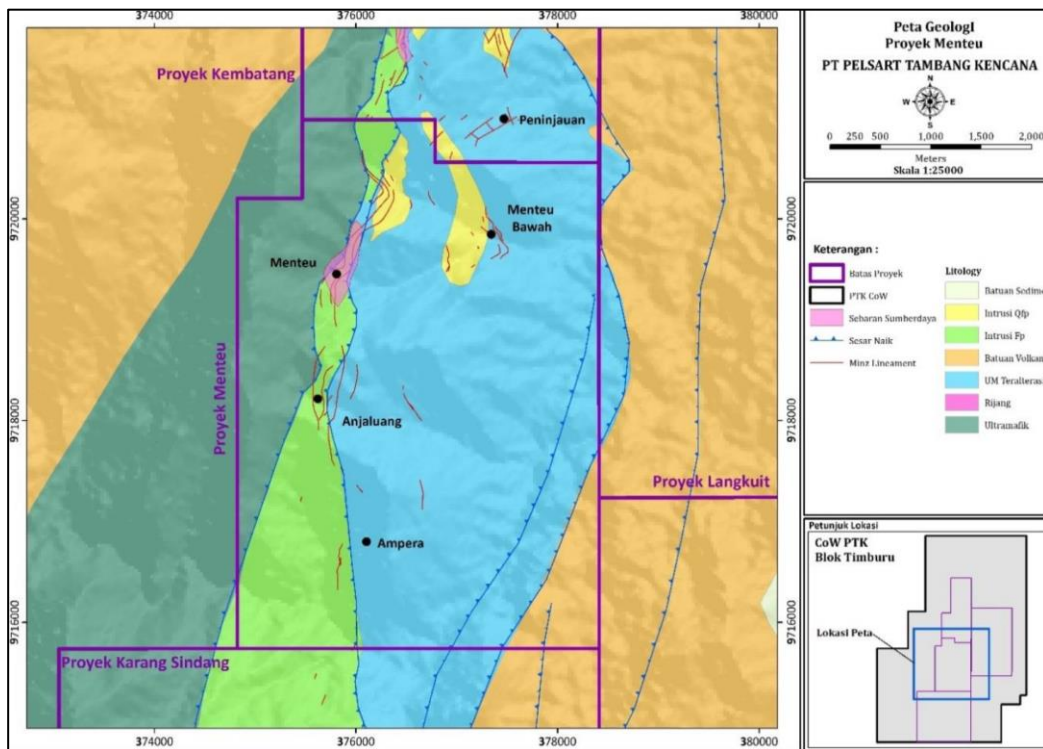


Figure 5: Local geological setting of the Mentu and Mentu Bawah prospects.

Source: PT PTK, 2023a.

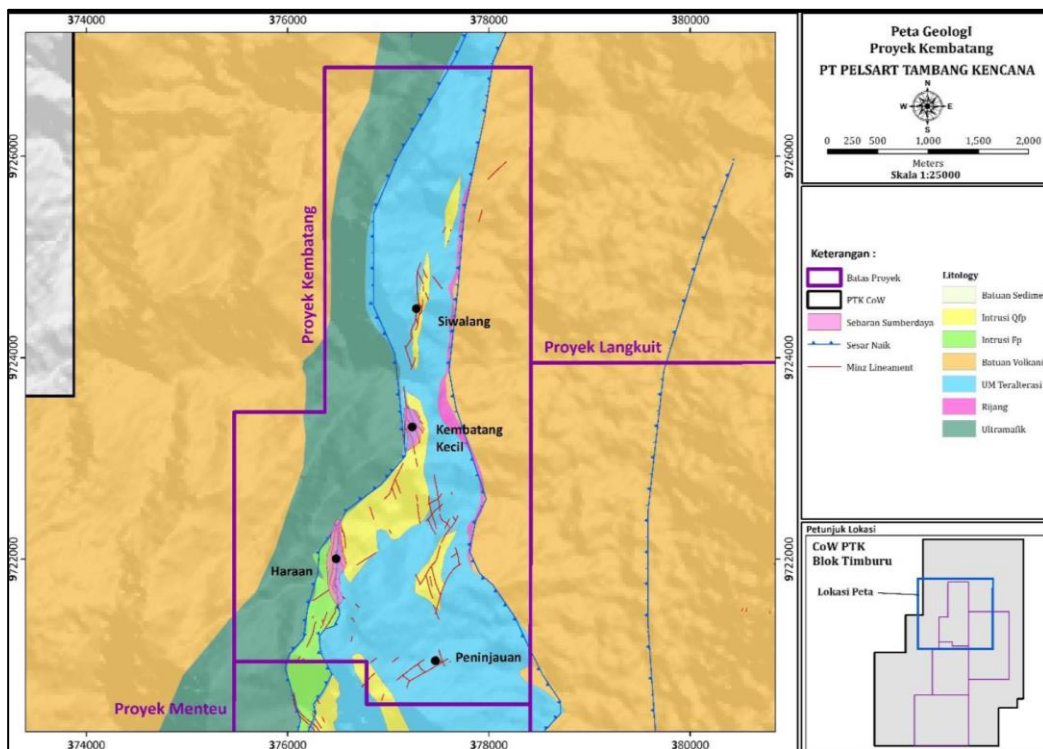


Figure 6: Local geological setting of the Haraan and Kembang-Kecil prospects.

Source: PT PTK, 2023a.

3.3 Mineral Resources

PT PTK has presented VRM with three (3) Mineral Resource Estimates (MREs) for the Timburu Block, prepared internally by PT PTK following the guidelines of the KCMI Code (2017). Responsibility for the estimates has been assumed by the Company's Competent Person (CP) M. Dadi Kuswandi, a permanent employee of PT PTK. The estimates have been completed using the same approach and processes for each deposit, as outlined herein. The most recent MREs for the Timburu Block are presented in Table 1.

Table 1: Mineral Resources reported for the Timburu Block.

PROSPECT	CATEGORY	CoG Au (g/t)	MTONNES	Au (g/t)	Ag (g/t)	Au (KOz)	Ag (KOz)
HARAAN	INDICATED	0.5	4.44	2.1	5	297	692
	INFERRED	0.5	2.15	0.8	3	58	218
	Sub Total	0.5	6.59	1.7	4	355	910
KEMBANG KECIL	INDICATED	0.5	3.5	1.6	3	180	185
	INFERRED	0.5	2.9	1.4	3	129	132
	Sub Total	0.5	6.4	1.5	3	309	317
MENTEU	MEASURED	0.5	1.48	2.3	3	103	135
	INDICATED	0.5	14.81	1.4	3	643	1193
	INFERRED	0.5	6.8	0.9	2	192	506
	Sub Total	0.5	23.11	1.3	2	939	1,835
TOTAL	MEASURED	0.5	1.48	2.3	3	103	135
	INDICATED	0.5	22.76	1.6	4	1120	2,071
	INFERRED	0.5	11.86	0.9	2	379	856
	Total	0.5	36.1	1.4	3	1,602	3,062

Source: PT PTK, 2023a.

Notes: Reported at a 0.5g/t Au cut-off grade. Rounding has been applied to the totals and may not exactly match the estimates in following sections.

3.3.1 Mentau Deposit

Mineral Resources for the Mentau Deposit are presented in Table 2, and represent the largest currently estimated Resources within the Timburu Block. An earlier stage exploration prospect to the east of Mentau (Mentau Bawah) also contains reported mineralisation that is a lower priority currently for the Company and will not be discussed further (Table 3).

Drilling, Data Collection and Management

The MRE for Mentau is informed by 173 diamond drill holes for a total of 42,270m of drilling. PT PTK drilled 159 of the holes between 2021 – 2023, representing approximately 90% of the drilling that supports the estimate (PT PTK, 2023e). Placer Dome drilled the residual holes (14) from 2002-2003. Drilling density is generally at a 20-30m spacing along strike and ranges from 25-50m down dip of the mineralised lodes, with most holes downhole surveyed by Eastman or multi-shot camera. Collar locations are surveyed using total station tool. PT PTK reports core recoveries of >90% for ~90% of the drilling.

The procedures for core logging, sampling and security are documented in detailed reports by the Company (see PT PTK, 2023a), and follow a prescribed Standard Operating Procedure Flowchart developed by the Company (Figure 7). In general, core was sampled at an average interval of 2m, with the sample length also informed by lithology, alteration, mineralization, oxidation and quartz content or veins in the rock. Sampling intervals were generally more than 0.5m. Sample labelling, chain of custody and security is outlined in detail in document PT PTK (2023a).

All logging and sampling data is digitally captured and databased in ONCOM Software. Historic data relating to Placer drilling is largely in hardcopy format and has been transposed to digital format by the Company. Geobank is used to manage geological and geochemical datasets for Mentau and Mentau Bawah (including assay data).

It is VRM's opinion that the drilling, data collection and data management procedures presented for Mentau and Mentau Bawah are appropriate to support the reported MREs and are consistent with industry standards.

Table 2: Mineral Resources reported for the Mentau Deposit.

Category	Tonnes (Kt)	Au (g/t)	Au (Koz)	Ag (g/t)	Ag (Koz)	Gold Eq. (g/t)	Gold eq. (Koz)
Measured	1,486	2.3	103	3	135	2.20	105
Indicated	14,819	1.4	643	3	1,193	1.38	658
Inferred	6,809	0.9	192	2	506	0.91	198
TOTAL	23,114	1.3	939	2	1,835	1.46	961

Source: PT PTK, 2023e.

Notes: Reported at a 0.5g/t Au cut-off grade. AuEq calculated as ((Ag Oz x Ag price) / Au price). Rounding has been applied to the totals and may not exactly match the estimates in following sections.

Table 3: Mineral Resources reported for the Mentau Bawah Deposit.

Category	Tonnes (Kt)	Au (g/t)	Au (Koz)	Ag (g/t)	Ag (Koz)	Gold Eq. (g/t)	Gold eq. (Koz)
Inferred	203.5	1.55	10.1	4	23	1.59	10.4
TOTAL	203.5	1.55	10.1	4	23	1.59	10.4

Source: PT PTK, 2023f.

Notes: Reported at a 0.5g/t Au cut-off grade. AuEq calculated as ((Ag Oz x Ag price) / Au price). Rounding has been applied to the totals and may not exactly match the estimates in following sections.

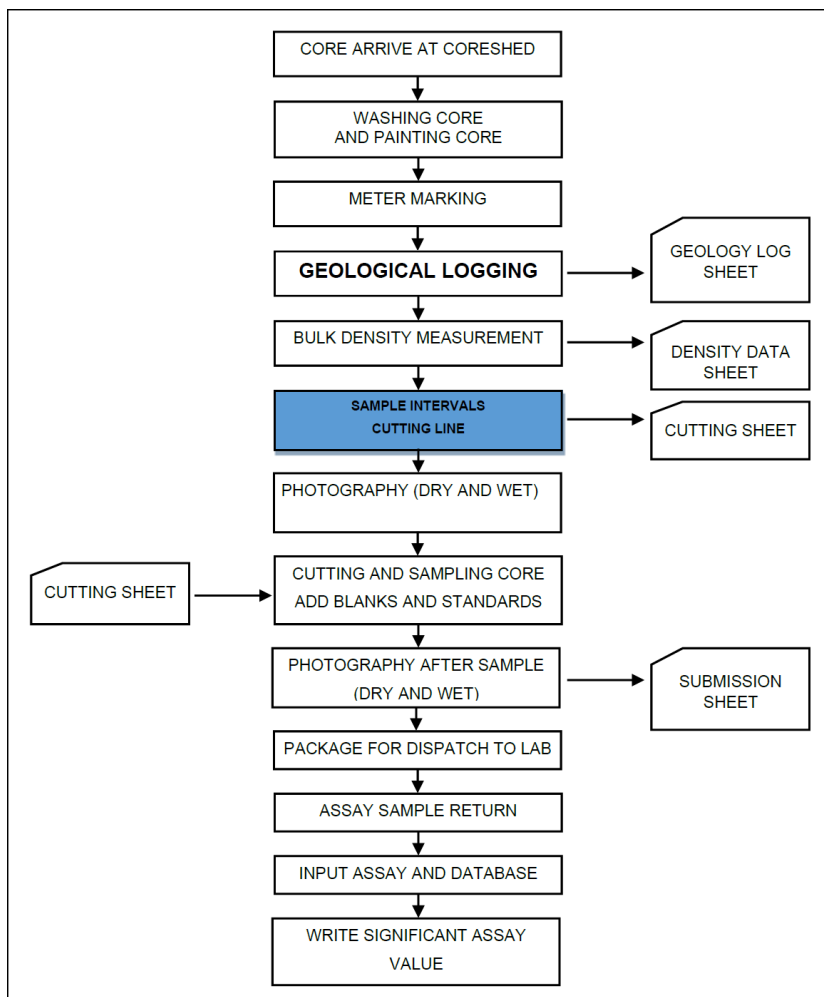


Figure 7: Core processing, sampling and data capture Flowchart used by PT PTK.

Source: PT PTK, 2023a.

Sample Analysis and Quality Assurance / Quality Control (QA/QC)

For samples collected by previous explorers (i.e. Placer Dome) between 1990 and 2003, analysis was completed at Indo Assay, now a subsidiary of SGS Indonesia. There are no reports available documenting sample preparation. As based on hardcopy analysis results for 1990-1997, samples were assayed using Fire Assay (code FA/C50) for Au and Atomic Absorption Spectroscopy (code AAS/D100) for Cu, Pb, Zn, Ag, As and Te. It is noted this data was not used in the estimation but may have informed wireframe development for estimation domains. The Placer sample results were sourced from digital results of Fire Assay (code FA40) for Au, and D100 for Ag, Cu, Pb, Zn and As.

The majority of the assay data used in the estimation is from PT PTK drilling in 2021-2023, with sample preparation and analysis performed at the internal PT Indo Muro Kencana (PT IMK) laboratory for Au, Ag and Cu. Samples. The Company purports that the laboratory has extensive experience in analysing gold and silver in core samples (see PT PTK, 2023a). Aqua Regia (code AR250) method with AAS was reportedly used to analyse for Au, with some samples reportedly also analysed by Fire Assay. Silver was analysed after a four acid digestion process. VRM considers this an appropriate analysis method following industry standards for this mineralisation type.

The management and monitoring of assay quality assurance / quality control (QA/QC) was in place for the PT PTK drilling during the 2021-2023 campaigns and is ongoing. The same process and procedures are applied to all of the deposit MREs. No QA/QC reporting is available for the historic work. The QA/QC protocols include the use of certified reference material or standards, and the inclusion of blanks, field duplicates, pulp duplicates and coarse duplicate samples, inserted to the sample streams submitted for analysis. Intertek Laboratories was used as an umpire laboratory and utilised Fire Assay method for Au and Inductively Coupled Plasma Spectroscopy (ICP) for other elements. The Company has provided a report outlining the QA/QC protocols and analysis of the results for the PT PTK drilling campaigns that support the MRE (see PT PTK, 2023b). VRM is of the opinion that the monitoring of assay QA/QC follows expected industry standards, with results within acceptable limits. VRM notes that the sampling frequency rate for the QA/QC process is lower than generally expected and should be considered to be increased moving forward.

Bulk density determinations were made on historic samples in variably oxidised and fresh host lithologies to mineralisation. A total of 27 samples were tested using the Archimedes method. This has been supplemented by PT PTK with 1,204 samples tested largely from fresh material sourced from the 2021-2023 drilling campaign. VRM considers this an adequate sample set on which to base the reported MRE.

Estimation Parameters

Resource domains are largely defined by Au grade values above 0.2 Au g/t, and the influence of geological characteristics is also incorporated into the interpretation (e.g. influence of lithology, structure, and alteration). Interpretations of grade continuity extend up to 25m past the nearest supporting drill hole. Domains are best developed within the feldspar porphyry's and one mafic unit (Figure 8), and the surface extent to mineralisation is constrained by the Digital Terrain Model (DTM) as derived from Light Detection and Ranging data (Lidar). Eleven (11) mineralised domains have been defined, range from 10 – 70m thick and trend broadly N-NW, dipping steeply towards the SSE. One lode (FP1) centrally positioned within the broader mineralised zone represents ~50% of the MRE.

Micromine software was used to develop variogram models to assess continuity for the estimate, with axis orientations for the modelling determined by the Company based on logging and visual assessments of grade continuity (see PT PTK, 2023a). An 8mX x 12mY x 12mZ block model was created as based on the drill hole spacing and search parameters from the variography applied in estimation. The estimation was run in three passes using Ordinary Kriging (OK) with domains defined as hard boundaries. The Company has reported the estimate at a cut-off grade of 0.5g/t Au, although it is unclear how this has been determined. VRM considers the estimation approach as reasonable.

The Company has undertaken a validation process on the estimate through visual and statistical methods. These have included visual comparison between block grades and drill holes, tonnage comparisons for domain wireframes and the block model, swath plots of drill hole data and the model, and statistical comparison between grade and block data. VRM considers these checks appropriate to industry standards.

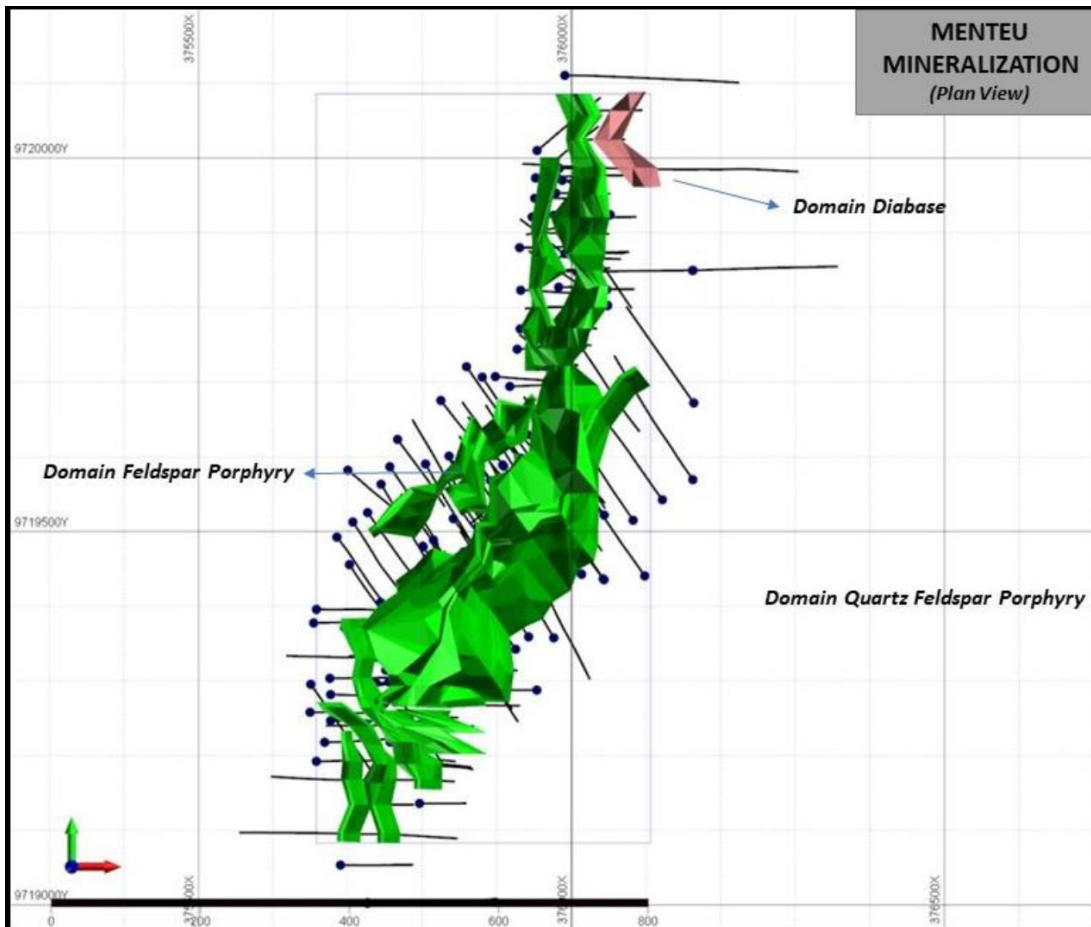


Figure 8: Domain model for mineralisation at the Mentau Deposit.

Source: PT PTK, 2023a.

Resource Classification and Categories

Resource classification categories for the Mentau MRE are reported as Measured, Indicated and Inferred. The Company have based their classification categories in accordance with guidance from the KCMF Code (2017) as follows:

- Drill hole spacing.
- The level of confidence of the geological interpretation.
- Estimated amount / tonnages.
- Number of samples used for block estimation; and
- Continuity of local mineralization on geological and variographic interpretation.

A combination of these criteria have been applied by the Company to define the mineralisation domains with the appropriate category, with drill spacing generally the key parameter on which the Resource category is defined. Drill hole data on a <25m spacing with demonstrable continuous grade and consistent mineralization indicators is generally categorized as Measured. Drill hole data between 25-50m is generally classified as Indicated, with material defined by 50m+ drill hole spacing generally classified as Inferred. A detailed breakdown of the criteria is provided by the Company in PT PTK

(2023a). Based on the data presented, it is VRM's opinion that the estimates are appropriately categorised in accordance with the KCMI Code (2017).

VRM Comment

It is VRM's opinion that the Mentau and Mentau Bawah MRE's have been appropriately estimated following the guidelines of the KCMI Code (2017). The estimates are based on geological and grade criteria that has been collected following procedures generally accepted within the international mining industry. VRM considers the use of an internal laboratory for assaying as the main risk for the grades used in the estimate, although acknowledges that QA/QC reference and external umpire laboratory duplicate sample results indicate no bias and good precision / correlation.

Although not reported following the guideline of JORC (2012), VRM considers the estimate suitable to use at the reported grades, tonnages and categories, as equivalent to JORC (2012). It is the view of VRM that the estimates are considered appropriate to use in this context for the purpose of this valuation.

3.3.2 Haraan Deposit

Mineral Resources for the Haraan Deposit are presented in Table 4, being the central deposit of the three MRE's, and the second largest deposit within the Timburu Block.

Table 4: Mineral Resources reported for the Haraan Deposit.

Category	Tonnes (Kt)	Au (g/t)	Au (Koz)	Ag (g/t)	Ag (Koz)	Gold Eq. (g/t)	Gold eq. (Koz)
Indicated	4,443	2.1	297	5	692	2.10	305
Inferred	2,150	0.8	58	3	218	0.90	61
TOTAL	6,593	1.7	355	4	910	1.70	365

Source: PT PTK, 2023g.

Notes: Reported at a 0.5g/t Au cut-off grade. AuEq calculated as $(\text{Ag Oz} \times \text{Ag price}) / \text{Au price}$. Rounding has been applied to the totals and may not exactly match the estimates in following sections.

Drilling, Data Collection and Management

The MRE at Haraan is informed by 189 diamond drill holes for a total of 24,698m of drilling. PT PTK drilled 111 of the holes between 2021 – 2023, representing approximately 60% of the diamond drilling that supports the estimate (PT PTK, 2023g). The residual diamond holes (78) were drilled by PT. Meratus Sumber Mas (MSM) in 2003. In addition, MSM drilled 12 Reverse Circulation (RC) holes for 637m over the same period. A key object of the PT PTK drilling was to confirm / validate the MSM work. Placer Dome drilled one 350m hole in their 2002-2003 field campaign. Drilling density is generally at a 20-30m spacing along strike and 25-50m down dip of the mineralised lodes, with most holes downhole surveyed by Eastman. Collar locations are surveyed using total station tool. Core recoveries >90% are reported for ~90% of holes.

The procedures for core logging, sampling and security of the PT PTK drilling are the same as described for Mentau and is documented in detailed reports by the Company following their prescribed Standard Operating Procedure Flowchart (see PT PTK, 2023a). In general, core was sampled at an average interval of 2m, with interval selection also informed by lithology, alteration, mineralization, oxidation and quartz content or veins in the rock. Sampling intervals were generally more than 0.5m. Sample labelling, chain of custody and security is outlined in detail in document PT PTK (2023a).

All logging and sampling data is digitally captured and databased in ONCOM Software. Historic data relating to MSM drilling is largely in hardcopy format and has been transposed to digital format by the Company. Geobank is used to manage geological and geochemical datasets for Haraan (including assay data). It is VRM's opinion that the drilling, data collection and data management procedures presented for Haraan are appropriate to support the reported MREs and consistent with industry standards.

Sample Analysis and Quality Assurance / Quality Control (QA/QC)

The MSM and Placer Dome sample preparation and analysis was completed at Indo Assay, now a subsidiary of SGS Indonesia. There are no reports available documenting sample preparation. As based on hardcopy analysis results, historic samples were assayed using Fire Assay (code FA/C50) for Au. It is noted this data was included in the estimation.

Sample preparation and analysis of the PT PTK drilling was performed at the internal PT IMK laboratory for Au, Ag and Cu. Samples. Aqua Regia (code AR250) method with AAS was reportedly used to analyse for Au, with some samples reportedly also analysed by Fire Assay. Silver was analysed after a four acid digestion process. VRM considers this an appropriate analysis method following industry standards for this deposit type.

The management and monitoring of assay QA/QC was in place for the PT PTK drilling and is the same process and procedures as outlined for Mentau and Mentau Bawah. No QA/QC reporting is available for the historic work. The QA/QC protocols are the same as for Mentau and Mentau Bawah, and the Company has provided a report outlining the QA/QC protocols and analysis of the results for the PT PTK drilling campaigns that support the MRE (see PT PTK, 2023c). VRM is of the opinion that the monitoring of assay QA/QC follows expected industry standards, with results within acceptable limits. VRM notes that the sampling frequency rate for the QA/QC process is lower than generally expected and should be considered to be increased moving forward.

Bulk density determinations were made on historic samples in variably oxidised and fresh host lithologies to mineralisation. A total of 72 samples were tested using the Archimedes method. This has been supplemented by PT PTK with 673 samples tested largely from fresh material across multiple lithologies. VRM considers this an adequate sample set on which to base the reported MRE.

Estimation Parameters

Resource domains are defined predominantly by Au grade values above 0.2 Au g/t, with geological characteristics also incorporated into the interpretation. Interpretations of grade continuity extend up to 15m past the nearest supporting drill hole due to the more complex local geology relative to Mentau. Domains are best developed within the ultramafic unit and feldspar / quartz-feldspar porphyry's (Figure 9), and the surface extent to mineralisation is constrained by the Lidar-derived DTM. Eight (8) mineralised domains have been defined, range from 10 – 60m thick and trend broadly N-S, dipping steeply towards the W. One lode (FP1) centrally positioned within the broader mineralised zone represents ~50% of the MRE.

Micromine software was used to develop variogram models on the same basis as determined for Mentau (see PT PTK, 2023a). A 10mX x 10mY x 8mZ block model was created as based on the drill hole spacing and search parameters from the variography applied in estimation. The estimation was run in three passes using OK with domains defined as hard boundaries. The Company has reported the estimate at a cut-off grade of 0.5g/t Au, although it is unclear how this has been determined. The

Company has undertaken the same validation process as described for Mentau, which VRM considers appropriate.

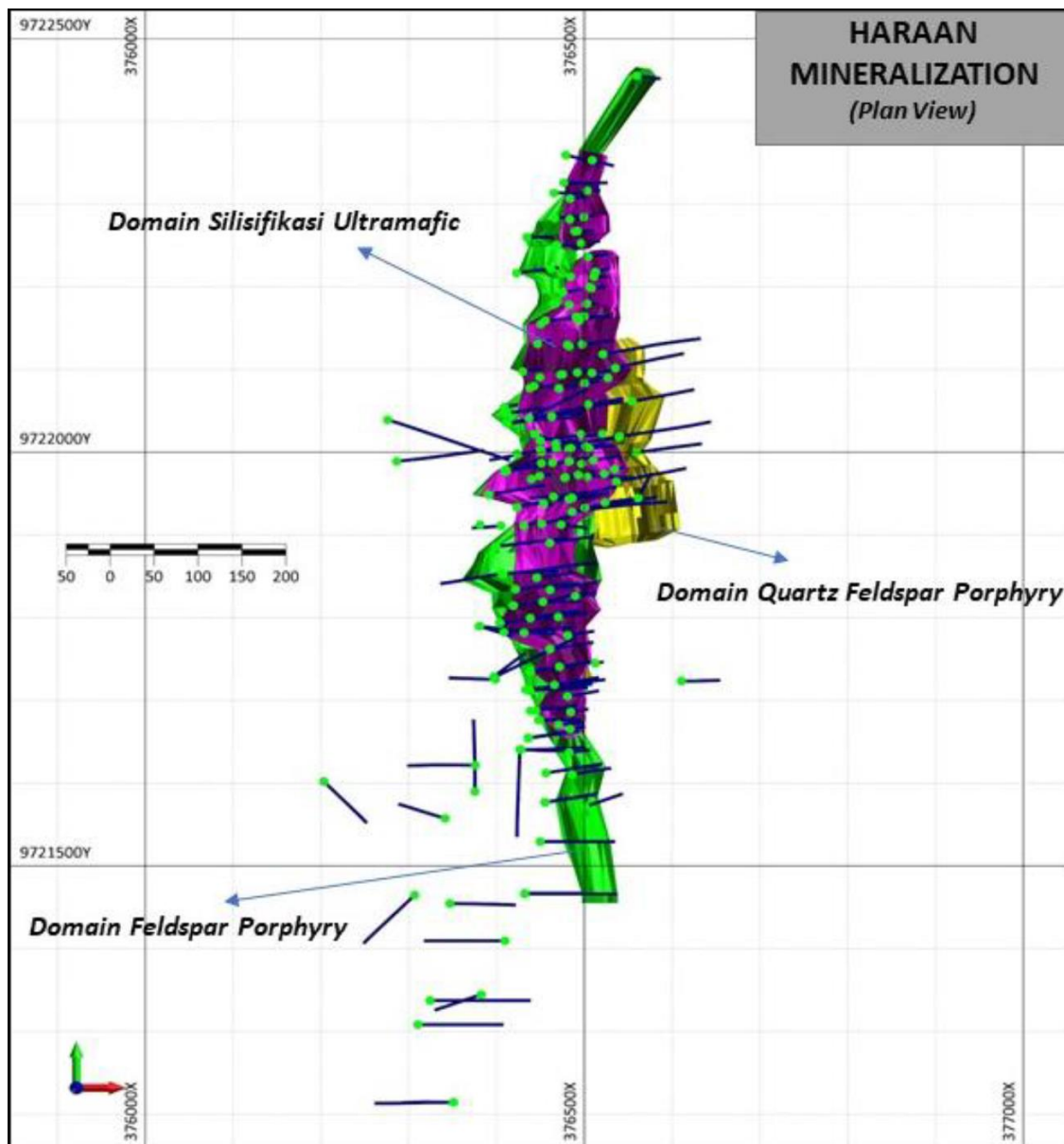


Figure 9: Domain model for mineralisation at the Haraan Deposit.

Source: PT PTK, 2023a.

Resource Classification and Categories

Classification for the MRE is as described for Mentau (see Section 3.3.1). The estimate is reported as Indicated and Inferred, with a detailed breakdown of the criteria defining the categories provided by the Company in PT PTK (2023a). Based on the data presented, it is VRM's opinion that the estimates are appropriately categorised in accordance with the KCMI Code (2017).

VRM Comment

It is VRM's opinion that the Haraan MRE has been appropriately estimated following the guidelines of the KCMC Code (2017). The estimate is based on geological and grade criteria that has been collected following procedures generally accepted within the international mining industry. VRM again considers the use of an internal laboratory for assaying as the main risk for the grades used in the estimate. Nonetheless, as is the case for Mentau, QA/QC reference and external umpire laboratory duplicate sample results indicate no bias and good precision / correlation.

Although not reported following the guideline of JORC (2012), VRM considers the estimate suitable to use at the grades, tonnages and categories reported, as equivalent to JORC (2012). Consideration of the estimates in this context is considered appropriate by VRM for the purposes of this valuation.

3.3.3 Kematang-Kecil Deposit

Mineral Resources for the Kematang-Kecil Deposit are presented in Table 5, being the northern most deposit of the three MREs within the Timburu Block.

Table 5: Mineral Resources reported for the Kematang-Kecil Deposit.

Category	Tonnes (Kt)	Au (g/t)	Au (Koz)	Ag (g/t)	Ag (Koz)	Gold Eq. (g/t)	Gold eq. (Koz)
Indicated	3,500	1.6	180	3	185	1.60	185
Inferred	2,900	1.4	129	3	132	1.40	130
TOTAL	6,400	2	309	3	317	1.50	315

Source: PT PTK, 2023h.

Notes: Reported at a 0.5g/t Au cut-off grade. AuEq calculated as ((Ag Oz x Ag price) / Au price). Rounding has been applied to the totals and may not exactly match the estimates in following sections.

Drilling, Data Collection and Management

The MRE is informed by 127 diamond drill holes for a total of 25,734.7m of drilling. PT PTK drilled 43 of the holes for 9,390m between 2021 – 2023, representing approximately 66% of the diamond drilling that supports the estimate (PT PTK, 2023h). The residual diamond holes (84) were drilled by MSM in 2003 for 16,345m. In addition, MSM drilled 37 RC holes for 1,444m over the same period. A key object of the PT PTK drilling was to confirm / validate the MSM work. Drilling density is generally at a 20-30m spacing along strike and 25-50m down dip of the mineralised lodes, with most PT PTK holes downhole surveyed and collar positions constrained by total station tool. Core recoveries >90% are reported for ~67% of holes.

The procedures for core logging, sampling and security of the PT PTK drilling are the same as for Mentau and Haraan and is documented in detailed reports by the Company following their prescribed Standard Operating Procedure Flowchart (see PT PTK, 2023a). In general, core was sampled at an average interval of 2m, and also informed by lithology, alteration, mineralization, oxidation and quartz content or veins in the rock. Sampling intervals were generally more than 0.5m. Sample labelling, chain of custody and security is outlined in detail in document PT PTK (2023a).

All logging and sampling data is digitally captured and databased in ONCOM Software. Historic data relating to MSM drilling is largely in hardcopy format, having been transposed to digital format by the Company. Geobank is used to manage geological and geochemical datasets for Kematang-Kecil

(including assay data). It is VRM's opinion that the drilling, data collection and data management procedures presented for Kematang-Kecil are appropriate to support the reported MREs and consistent with industry standards.

Sample Analysis and Quality Assurance / Quality Control (QA/QC)

The MSM sample preparation and analysis was completed at Indo Assay, now a subsidiary of SGS Indonesia. There are no reports available documenting sample preparation. As based on hardcopy analysis results, historic samples were assayed using Fire Assay (code FA/C50) for Au. It is noted this data was included in the estimation.

Sample preparation and analysis of the PT PTK drilling was performed at the internal PT IMK laboratory for Au, Ag and Cu. Samples. Aqua Regia (code AR250) method with AAS was reportedly used to analyse for Au, with some samples reportedly also analysed by Fire Assay. Silver was analysed after a four acid digestion process. VRM considers this an appropriate analysis method following industry standards for this deposit type.

The management and monitoring of assay QA/QC in place for the PT PTK drilling was the same as outlined for Mentau, Mentau Bawah and Haraan. No QA/QC reporting is available for the historic work. The QA/QC protocols are the same as for the other deposits, and the Company has provided a report outlining this and analysis of the results for the PT PTK drilling campaigns that support the MRE (see PT PTK, 2023d). VRM is of the opinion that the monitoring of assay QA/QC follows expected industry standards, with results within acceptable limits. VRM notes that the sampling frequency rate for the QA/QC process is lower than generally expected and should be considered to be increased moving forward.

Bulk density determinations were made on historic samples in variably oxidised and fresh host lithologies to mineralisation. A total of 72 samples were tested using the Archimedes method. This has been supplemented by PT PTK with 205 samples tested largely from fresh mineralised material. VRM considers this an adequate sample set on which to base the reported MRE.

Estimation Parameters

As for Mentau and Haraan, Resource domains are defined predominantly by Au grade values above 0.2g/t Au with geological characteristics also incorporated into the interpretation. Interpretations of grade continuity extend up to 15m past the nearest supporting drill hole due to the more complex local geology as is the case for Haraan. Domains are best developed within the ultramafic unit and feldspar / quartz-feldspar porphyry's (Figure 10), and the surface extent to mineralisation is constrained by the Lidar-derived DTM. Ten (10) mineralised domains have been defined, range from 10 – 15m thick and trend broadly N-S, dipping vertically or steeply towards the W. The ultramafic units host up to 50% of the reported MRE.

Micromine software was used to develop variogram models on the same basis as determined for Mentau and Haraan (see PT PTK, 2023a). A 10mX x 10mY x 8mZ block model was created as based on the drill hole spacing and search parameters from the variography applied in estimation. The estimation was run in three passes using OK with domains defined as hard boundaries. The Company has reported the estimate at a cut-off grade of 0.5g/t Au, although it is unclear how this has been determined. The Company has undertaken the same validation process as described for Mentau and Haraan, which VRM considers appropriate.

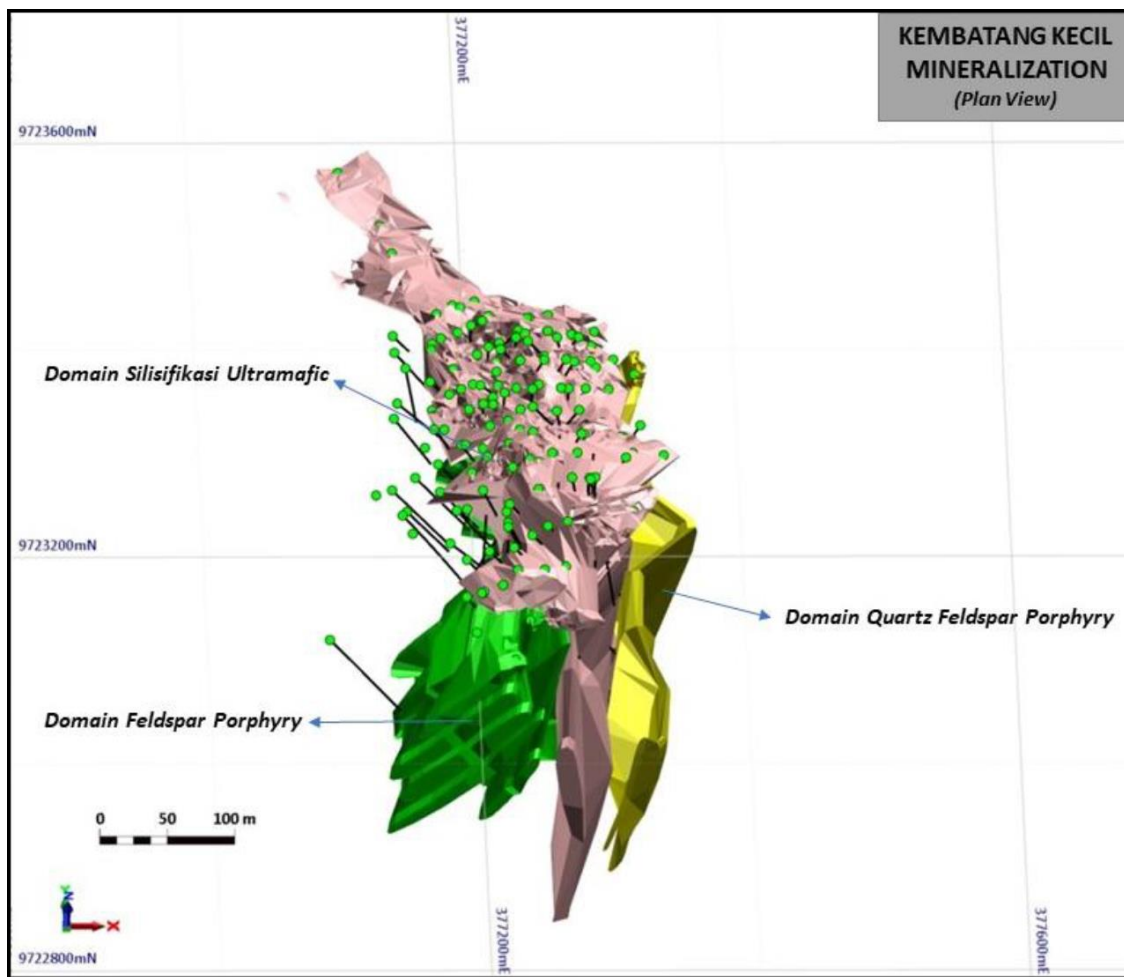


Figure 10: Domain model for mineralisation at the Kematang-Kecil Deposit.

Source: PT PTK, 2023a.

Resource Classification and Categories

Classification for the MRE is as described for Mentau and Haraan (see Section 3.3.1), with the MRE reported as Indicated and Inferred. A detailed breakdown of the criteria defining the categories provided by the Company in PT PTK (2023a), and based on the data presented, it is VRM's opinion that the estimates are appropriately categorised in accordance with the KCMI Code (2017).

VRM Comment

It is VRM's opinion that the Kematang-Kecil MRE has been appropriately estimated following the guidelines of the KCMI Code (2017). As is the case for Mentau and Haraan, the estimate is based on appropriate geological and grade criteria that has been collected following procedures generally accepted within the industry. The use of an internal laboratory for assaying remains as the main risk for the grades used in the estimate, although it is again acknowledged that QA/QC reference and external umpire laboratory duplicate sample results indicate no bias and good precision / correlation.

Although not reported following the guideline of JORC (2012), VRM considers the estimate suitable to use at the grades, tonnages and categories reported, as equivalent to JORC (2012). Consideration of the estimates in this context is considered appropriate by VRM for the purposes of this valuation.

3.4 Ore Reserves

VRM has undertaken a high-level review of the Ore Reserve Estimation (ORE) reports and supporting technical data to provide an assessment of the reasonableness of the OREs reported for Mentau, Haraan and Kematang-Kecil. The OREs have been prepared following the guideline of KCMI (2017) and have not been re-reported or re-estimated as a part of this Report, nor has there been a complete audit or reassessment of the Ore Reserve.

PT PTK have managed the overall process of developing a technical Study on the Project to support the ORE. The Company has declared to VRM that there are no material technical, economic or approval issues that would prevent the Project being developed as defined by their 2022 Feasibility Study Report (PT PTK, 2022b). To that end, VRM are informed by the Company that the Study satisfactorily supports the Indonesian permitting and approvals that are required to progress the development of the Project.

3.4.1 Study Status and Information Sources

VRM's review is based on information provided by PT PTK via a data room. The Project is supported by extensive technical work as presented in the 2022 Feasibility Study, including Purchase Orders that were provided to support the commencement of Project construction.

The main Feasibility Study document (PT PTK 2022b) was translated from Bahasa to English by VRM for this review. VRM considers that the Study addresses the typical technical disciplines that are relevant and required to support the modifying factors and basis of the operating and capital cost estimates presented.

The following additional documents and spreadsheets that support the Company's financial model for the Project were also reviewed:

- Ore Reserve Report - Reserve Estimation PTK Corporate 2023R-2.pdf
- Project Overview - Presentasi FS PTK 2022_compiled 19052022.ppt
- Budget Internal PTK 2024_sim.xlsx
- OPEX Budget Internal PTK 2024_sim.xlsx
- CAPEX Budget Internal PTK 2024_sim.xlsx
- MPP Budget Internal PTK 2024_sim.xlsx
- Summary Budget Internal PTK 2024_sim.xlsx
- PTK Schedule_BDO_23Q4-R1.xlsx

The following documents supporting the pre-production capital cost estimates were provided for review:

- PO 13626 – PLN.pdf
- PO#13069_Civil and Concrete Supply for Processing Plant_EWP-02_Rev.00_SignedPTK.pdf
- PO_2548_Metso Outotec International_SAG & BALL Mill_Signed PTK.pdf
- PO_L02_2607_African Mixing Technologies_Rev.00_15022023_signed.pdf
- PO_L02_11234_Yantai Jinpeng Mining Machiner_signed_stamped_26102023.pdf
- PO_L02_11997_Yantai Jinpeng Mining Machiner – signed.pdf

3.4.2 Current Ore Reserve estimate

Based on KCMI (2017) MREs, the 2023 Ore Reserve for the Project are also reported according to the KCMI (2017). Responsibility for the estimates has been assumed by the Company's Competent Person Budy Alfian, a permanent employee of PT PTK. The Ore Reserves statement is summarised in Figure 11.

The 2023 OREs are updated from a 2022 estimate and reflects an increase in commodity prices and model changes after the 2022 Feasibility Study report was completed. The primary difference between the 2022 and 2023 process is the application of updated commodity prices, and the 2022 estimate is derived from pit designs and detailed scheduling. PT Pelsart state in the 2023 Ore Reserve Report ... *"In this exercise, pit design for Mentau is also not conducted due to time issues in providing this report"*. This is the case for the Mentau, Harau and Kematang deposits.

Proved and Probable Ore Reserves are estimated directly from the Measured and Indicated Mineral Resource, respectively. No Inferred Mineral Resources have been included in the Ore Reserve. The ORE is the Measured and Indicted portion of the Life of Mine (LoM) production schedule supporting the Company's financial model. Collectively applied, the ORE demonstrates a positive NPV for the Project in the Company's financial modelling, with financing therefore assumed to be achievable. No mining has yet taken place.

V. RESERVE STATEMENT

Reserve estimation reported in this technical document is reserve estimation for Harau, Kematang Kecil, and Mentau deposit located in Timburu block, which is managed by PT Pelsart Tambang Kencana. The reserve estimation is based on resource model developed by internal geologist and verified by internal resource competent person, Dadi Kuswandi, which then used by reserve competent person, Budy Alfian, to create mining model by applying topography and modifying factor. Budy and Dadi are both AUSIMM member. The following table reports the status of reserve as of October 2023.

Table 16 - Summary Reserve Estimation PT PTK as of October 2023

Prospect	Reserve Classification	Tonnage (M tonnes)	Grade		Metal Content*)		
			Au (g/t)	Ag (g/t)	Au (K oz)	Ag (K oz)	AuEq (K oz)
Kematang Kecil	Probable	1.8	1.9	3.0	108	174	110
Harau	Probable	2.5	2.7	5.3	213	423	218
Mentau	Probable	5.7	1.8	2.9	332	540	338
	Proven	1.2	2.2	2.8	86	113	87
Total	Probable	10.0	2.0	3.5	653	1,137	666
	Proven	1.2	2.2	2.8	86	113	87
Total Proven + Probable		11.2	2.0	3.5	739	1,250	753

This table of reserve is used to create a mining schedule for PT PTK.

Figure 11: 2023 Ore Reserve Statements.

VRM is not aware of any new information or data that materially affects the information included in the 2022 Feasibility Study Report (PT PTK, 2022b) and, in the case of estimates of Ore Reserves, that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented, remain unchanged.

The Ore Reserve to Mineral Resource contained metal presented in Table 6, demonstrates an appropriate level of conversion and confidence in the processes applied during the optimisation.

The LoM production mining and processing schedule as presented in Table 7 is consistent with the ORE. PT PTK has not provided reports describing the breakdown of the Ore Reserve by weathering profile or Mineral Resource classification. The total material movements are consistent with the volumes defined and supported by the 2022 Feasibility Study report, and this provides VRM comfort that the basis of the production profile in the financial model is achievable.

Table 6: Mineral Resource to Ore Reserve Conversion.

	Category	Mt	Grade g/t Au	Grade g/t Ag	Metal Au koz	Metal Ag koz
Kembatang	Ind - Pb	51%	119%	100%	61%	51%
Haraan	Ind - Pb	56%	129%	106%	72%	60%
Menteu	Ind - Pb	38%	129%	97%	49%	37%
	Meas - Pv	81%	94%	93%	77%	76%
Timburu	Ind - Pb	44%	127%	101%	56%	44%
	Meas - Pv	81%	94%	93%	77%	76%
Timburu	Total	46%	124%	99%	58%	46%

3.4.3 Classification and Confidence

The Table 1 checklist included in the 2023 Ore Reserve report, is analogous to the JORC (2012) Table 1 and is considered by VRM to be suitable and appropriate in support of the Ore Reserve estimate.

The reporting of Proven Ore Reserve is based on the Measured and Indicated Resources classified from the drilling undertaken on each deposit. The technical work supporting the application of the modifying factors is considered suitable to support reporting of Proven and Probable Ore Reserves.

Table 7: LoM production profile.

Keterangan	2025 1	2026 2	2027 3	2028 4	2029 5	2030 6	2031 7	TOTAL
Pit Kematang								
Waste (t)	1,700,278	2,570,877	158,681	-	-	-	-	4,429,836
Ore (t)	557,438	1,008,798	255,676	-	-	-	-	1,821,912
Au (g/t)	2.04	1.71	2.00	-	-	-	-	1.85
Ag (g/t)	3.83	2.51	2.90	-	-	-	-	2.97
Strip Ratio	3	3	1	-	-	-	-	2.4
Pit Haraan								
Waste (t)	378,272	2,982,362	3,228,754	1,192,309	181,520	-	-	7,963,218
Ore (t)	-	613,426	764,199	820,691	271,176	-	-	2,469,492
Au (g/t)	-	2.51	3.25	1.90	3.83	-	-	2.68
Ag (g/t)	-	4.80	6.19	4.66	6.14	-	-	5.33
Strip Ratio	-	5	4	1	1	-	-	3.2
Pit Mentau								
Waste (t)	-	70,507	2,342,668	4,180,937	5,361,649	3,376,760	564,350	15,896,871
Ore (t)	-	64,727	942,534	1,492,063	1,853,783	1,725,740	830,896	6,909,743
Au (g/t)	-	2.17	1.40	1.89	1.66	2.01	2.54	1.87
Ag (g/t)	-	2.38	2.22	2.97	2.77	3.09	3.76	2.93
Strip Ratio	-	1.1	2.5	2.8	2.9	2.0	0.7	2.3
TOTAL MATERIAL MOVED (t)								
Total Material Removed (t)	2,635,989	7,310,697	7,692,512	7,686,000	7,668,129	5,102,500	1,395,247	39,491,072
Waste (t)	2,078,551	5,623,747	5,730,103	5,373,246	5,543,169	3,376,760	564,350	28,289,926
Ore (t)	557,438	1,686,951	1,962,409	2,312,754	2,124,960	1,725,740	830,896	11,201,147
Au (g/t)	2.04	2.02	2.20	1.90	1.94	2.01	2.54	2.05
Ag (g/t)	3.83	3.34	3.86	3.57	3.20	3.09	3.76	3.47
Strip Ratio	3.7	3.3	2.9	2.3	2.6	2.0	0.7	2.5
Metal Content Mined (kg AuEq)	1,159	3,476	4,401	4,483	4,202	3,533	2,146	23,400
Metal Content Mined (Oz AuEq)	37,271	111,751	141,472	144,110	135,083	113,586	68,998	752,271
ORE BALANCE								
MINED TO STOCKPILE								
	393,791	158,054	243,966	229,831	212,635	89,382	-	-
Au (g/t)	1.78	1.98	2.76	2.23	2.25	2.25	-	-
Ag (g/t)	3.84	3.47	5.10	3.61	3.47	3.60	-	-
mined to process	163,647	1,528,896	1,718,444	2,082,923	1,912,325	1,636,357	830,897	9,873,488
stockpile to process	-	299,207	261,990	53,207	224,920	242,586	245,749	1,327,659
TOTAL MATERIAL PROCESSED								
	163,647	1,828,103	1,980,434	2,136,129	2,137,245	1,878,943	1,076,646	11,201,147
Au (g/t)	2.64	1.99	2.15	1.87	1.94	2.03	2.47	2.05
Ag (g/t)	3.82	3.41	3.79	3.57	3.23	3.16	3.74	3.47
CLOSING BALANCE								
	393,791	252,638	234,613	411,238	398,952	245,749	-	-
Au (g/t)	1.90	2.06	2.47	2.20	2.29	2.29	-	-
Ag (g/t)	3.97	4.10	4.64	4.15	4.08	3.85	-	-
PROCESSING								
Process Plant Utilisation	29.6%	83.5%	90.4%	97.6%	97.6%	85.8%	84.9%	81.3%
Throughput (dry t/mth)	163,647	1,828,103	1,980,434	2,136,129	2,137,245	1,878,943	1,076,646	11,201,147
Milling Rate (dry t/hr)	76	212	229	247	247	217	214	206
Au Head Grade (g/t)	2.64	1.99	2.15	1.87	1.94	2.03	2.47	2.05
Ag Head Grade (g/t)	3.82	3.41	3.79	3.57	3.23	3.16	3.74	3.47
Au Recovery	87.2%	87.7%	88.2%	87.9%	88.2%	90.6%	90.6%	88.7%
Ag Recovery	65.1%	65.3%	70.0%	72.1%	74.4%	76.4%	76.3%	72.0%
Plant Feed								
Au (kg)	433	3,634	4,266	3,992	4,149	3,812	2,663	22,949
Ag (kg)	626	6,227	7,497	7,632	6,901	5,932	4,023	38,837
Recovered								
Au (kg)	377	3,188	3,762	3,510	3,659	3,453	2,413	20,363
Au (oz)	12,128	102,494	120,926	112,851	117,637	111,020	77,562	654,619
Ag (kg)	407	4,064	5,245	5,504	5,136	4,529	3,071	27,956
Ag (oz)	13,101	130,656	168,635	176,955	165,129	145,621	98,723	898,819
AuEq Head (kg)	440	3,706	4,353	4,080	4,229	3,881	2,710	23,399
AuEq Recovered (kg)	382	3,235	3,822	3,574	3,719	3,506	2,448	20,686
AuEq Head (oz)	14,148	119,131	139,932	131,169	135,949	124,768	87,119	752,216
AuEq Recovered (oz)	12,280	104,007	122,879	114,900	119,549	112,706	78,705	665,025
Overall recovery	87%	87%	88%	88%	88%	90%	90%	88%

Source: 1. Budget Internal PTK 2024_sim ! MinePlan, and Reserve Estimation PTK Corporate 2023R-2, Table 17.

3.4.4 Cut-off parameters

The Ore Reserve is reported based on the optimisation parameters described in the 2023 Ore Reserve report. The report does not explicitly report a cut-off grade that would be derived from the parameters. The parameters are supported by the technical studies and economics assumptions and are considered by VRM to be appropriate for reporting the Ore Reserve. Proposed process plant recoveries are supported by metallurgical test work for each deposit and the various weathering zones.

3.4.5 Mining Factors or Assumptions

The 2023 optimisation parameters (Table 8) reflect the average cost and metallurgical characteristics for each pit and for the overall Project. VRM assumes that the costs in Table 8 below are \$/tonnes not \$/ton as reported by the company, this assumption is due to all other references to in the documents reviewed are tonnes. The assumptions are based on and consistent with the findings of the 2022 Feasibility Study and reflects the metallurgical test work, operating cost and underlying design guidelines determined from the supporting studies. The pit slope angles applied are consistent with the findings of the geotechnical investigations in the 2022 Feasibility Study.

VRM considers the optimisation parameters to be appropriate for the initial optimisation process.

Table 8: Pit optimization Modifying Factors.

Parameter	Unit	Haraan	Kembatang Kecil	Menteu
Gold Price	\$/oz	1900		
Silver Price	\$/oz	22		
Mining Cost	\$/ton	7.01	7.24	7.45
Processing Cost	\$/ton	17.54		
Site Admin Cost	\$/ton	5.09		
Refining Cost	\$/ton	0.30		
G & A Cost	\$/ton	1.21		
Interest Expense	\$/ton	1.54		
Royalty Au	%	6		
Royalty Ag	%	3.25		
Recovery Au	%	89		
Recovery Ag	%	73		
Mining Recovery	%	95		
Dilution	%	10	10	8

Source: Reserve Estimation PTK Corporate 2023R-2

3.4.6 Revenue Factors

The revenue factors applied in the cut-off grade and optimisation process are considered by VRM to be appropriate and supported by suitable assumption. VRM has not reviewed the revenue factors applied in the financial model.

3.4.7 Ore Loss and Dilution

Traditional Ore Reserve estimation allows for the application of Ore Loss and Dilution to the modelled in-situ ore zones and applied based on mining practices.

The Timburu Ore Reserve block size (Selected Mining Unit; SMU) incorporates dilution on the basis of selective mining, whereby the modelled block size for Ore Reserve estimation is a “re-blocking” of the Mineral Resource model blocks.

The Reserve Report states ... *“An original block model with a size of 10x10x4 m is made and bounded by the wireframe of the mineralization model. Each block has sub-blocks with a ratio of 4:4:4 to obtain an accurate volume estimate, especially at the edge of the mineralization model. The Ordinary Krigging method is used to estimate gold and silver grades”.*

VRM considers that the use of dilution factors only within the re-blocking process understates the likely dilution resulting from the mining process. This is because the modelled mining block sizes will not likely satisfactorily reflect the size of the equipment used, and as such, the estimated selectivity cannot be achieved on the margins of the Mineral Resource.

VRM considers that dilution should be applied to the designed production shapes as the SMU reflects the smallest selective mining unit and the dilution will account for mining beyond the designed boundary. For sensitivity purposes VRM recommends that a reduction range between 0% to 5% for the grade be applied to allow for additional waste being mined (dilution), and ore loss (lack of selectivity and mining practice) to allow for the potential inability to selectively mine to the SMU.

3.4.8 Geotechnical

Chapter 5 of the 2022 Feasibility Study defines the geotechnical aspects of the Project and seeks to address the potential risks associated with open pit mining in the region. Specific risks considered for the region included rainfall and seismicity. These have been applied in the design criteria.

The design guidelines take into account the lithology / weather profiles and are applied to each deposit in the optimisation parameters. VRM notes the geotechnical design criteria will further inform the mine design once completed. VRM considers that the geotechnical design criteria guidelines are broadly suitable to inform the Ore Reserve.

3.4.9 Metallurgical Factors or Assumptions

The proposed processing flowsheet applies metallurgical processes and technology that are conventional and commonly used.

The metallurgical recoveries are based on test work reported in the 2022 Feasibility Study report. The metallurgical recoveries will vary with the blend of ore from each deposit and the varying lithological / weathering domains (i.e., Oxide, Transition and Fresh).

For modelling purposes, VRM recommends that the metallurgical recovery is reduced by 3% in absolute terms to account for upscaling from laboratory test work in ideal conditions to operational performance and variability in feed ore types and grades.

PT PTK has applied plant ramp-up over a 3-month period and has not moderated recovery during ramp-up phase. VRM recommends a throughput ramp-up profile based on empirical data sourced through the application of the McNulty curves and a gradual ramp-up to achieving stable metallurgical recovery as presented in Table 9.

Table 9: VRM Recommended Plant Ramp-up.

Period	Throughput Adjustment	Metallurgy Recovery % of VRM Recommended
Quarter 1	40%	70%
Quarter 2	70%	80%
Quarter 3	85%	90%
Quarter 4	90%	90%
Quarter 5	95%	95%
Quarter 6 - LoM	100% - Plan	100%

3.4.10 Environmental

Detailed review of the approval and permitting was outside VRM's scope. PT PTK reported that all major "approvals" are in place and there remains a sound and ongoing level of engagement with the community and regulators.

3.4.11 Infrastructure

Based on VRM's review of the translated sections of the 2022 Feasibility Study Report, and review of the capital cost items, VRM considers that the infrastructure proposed for the Project and the basis of cost estimates are broadly suitable to support the Project. Nonetheless, in VRM's experience, additional design and engineering conducted post Feasibility stage generally identifies additional works and results in cost increases that are discussed in the following sections.

3.4.12 Operating Costs

The operating cost estimates in the financial model are based on equipment, personnel and consumable consumption rates developed for the 2022 Feasibility Study and provide a reasonable base for cost estimation for a project at this stage of study. PT PTK state the unit rates and consumable costs are based on a combination of market pricing and rates from other their Indonesian operations.

VRM considers that the estimation methodology and data sources provide general confidence in the operating cost estimates. VRM notes that sensitivity has not been applied to the operating cost estimate in the Company's modelling, and on the basis of expected variation in productivity, an allowance for a cost increase from Feasibility stage is appropriate. On this basis, VRM recommends a 10% sensitivity is applied to the Project operating costs.

3.4.13 Capital Costs

The financial model capital cost estimate (US\$202M) for the pre-production capital is presented in Table 10. The pre-production capital is based on a combination of the purchase orders for the process plant and related infrastructure. Reflecting on the capital cost and given the quotes provided there is a case to reduce the escalation for the plant component to 5% but retain the 15% contingency. This reduces the overall escalation over the 3-yr period (\$202M) to 7%, which will accommodate cashflow burden and financing during the early stages of operation.

The construction capital cost estimate is built-up from design basis in the 2022 Feasibility Study and updated with quotes for US\$61M and purchase orders from mobile equipment totalling US\$3M.

VRM considers it prudent to allow for contingency to account for productivity reduction and thus potential increase in cost. VRM considers an increase of 10% in capital cost and increasing contingency to 15% for the Plant pre-production activities is appropriate to allow for typical contingency and location related challenges.

Table 10: PT PTK nominated pre-production capital requirements.

PT Pelsart Tambang Kencana Investment Plan (in USD)				VRM Revision				
Description		2024	2025	2026	Escalation	2024	2025	2026
EPC (Engineering, Procurement and Construction)		83,304,626	32,363,686	2,583,026	-			
1. Process Plant		54,125,253	14,591,616	612,459				
Process Plant (Jinpeng Scope)		24,980,769	8,340,899	-	Aligns with PO_L02_11997_(\$35.6M)	5%	26,229,807	8,757,944
Process Plant (PTK Scope)		16,583,053	4,575,860	612,459	Aligns with PO	5%	17,412,205	4,804,652
Civil Process Plant		12,561,431	1,674,858	-	Aligns with PO#13069 (\$15M)	5%	13,189,503	1,758,600
2. Access Road & Earthworks		8,997,042	8,070,538	1,647,746				
Site Access Road		1,571,881	-	-	10%	1,729,069	-	-
Earthwork		7,425,161	8,070,538	1,647,746	10%	8,167,677	8,877,592	1,812,520
3. OSBL (Camp, Office, Warehouse, Utilities)		6,653,324	2,607,110	88,000				
Camp, Office Facilities & Utilities		5,901,620	2,607,110	88,000	10%	6,491,782	2,867,821	96,800
Semi Permanent Building		751,704	-	-	10%	826,874	-	-
4. DSTF (Dry Stack Tailings Facilities)		1,837,478	1,550,497	-	10%	2,021,226	1,705,547	-
5. Mining Infrastructure (Workshop, Maganize, Sediment Ponds, etc)		4,118,382	2,601,771	-				
Mine Complex (Workshop, Lab, Warehouse, Coreshed, etc)		3,174,699	2,101,212	-	10%	3,492,168	2,311,333	-
Nursery Facility		-	127,409	-	10%	-	140,150	-
Explosive Magazine		943,683	373,151	-	10%	1,038,052	410,466	-
6. Refractory Plant		-	-	-				
6. Contingency		7,573,148	2,942,153	234,821				
Contingency 10%		7,573,148	2,942,153	234,821	15%	8,709,120	3,383,476	270,044
Land, Heavy & Support Equipment		7,451,547	9,792,821	1,069,548				
1. Land		19,355	-	-	10%	21,290	-	-
2. Heavy Equipment		4,627,581	7,721,742	802,387	5%	4,858,960	8,107,829	842,506
3. Support Equipment (Lab, Workshop, etc)		1,789,450	1,333,725	120,000	10%	1,968,395	1,467,097	132,000
4. IT Equipment		174,323	142,581	27,161	10%	191,755	156,839	29,877
5. Operational Vehicles (LV, Bus, Motorcycle, etc)		840,839	594,774	120,000	10%	924,923	654,252	132,000
Interest During Construction (IDC)		3,918,451	7,943,097	-		3,918,451	7,943,097	-
Sub Total Cost of Project		94,674,624	50,099,604	3,652,574		101,191,257	53,346,695	3,958,830
Exploration Expenditures		5,473,966	6,987,613	6,897,632	0%	5,473,966	6,987,613	6,897,632
Pre-Ops Expenditures and GA Expenses		11,355,944	8,987,054	1,425,577	10%	12,491,539	9,885,759	1,568,135
Others		1,566,996	1,461,611	9,647,048	10%	1,723,695	1,607,772	10,611,753
Sub Total Exploration, PreOps, GA and Others		18,396,906	17,436,278	17,970,257		19,689,200	18,481,145	19,077,520
Grand Total		113,071,530	67,535,883	21,622,831		120,880,457	71,827,840	23,036,350

2024-2026		2024-2026	
Sub Total Cost of Project	148,426,802		158,496,782
Sub Total Exploration, PreOps, GA and Others	53,803,442		57,247,865
Grand Total	202,230,244		215,744,647
		Compared to Base Case	
		107%	

Source: 5. Summary Budget Internal PTK 2024_sim and VRM Estimates.

3.4.14 Reasonableness to inform the Valuation

VRM has not undertaken a re-assessment of the underlying data that supports the Ore Reserve nor have the Ore Reserves been re-estimated or re-reported as a part of this ITAR.

VRM considers that the ORE within the Timburu Project are based on sound study practices with no fatal issues identified or reported with the underlying technical work in support of the modifying facts that

have been applied. In regard to the financial model, VRM suggests a number of sensitivities be applied to the costs and mining dilution and metallurgical performance. These are summarised and presented in Table 11.

VRM considers that dilution should be applied to the designed production shapes as the SMU reflects the smallest selective mining unit and the dilution will account for mining beyond the designed boundary. On this basis, VRM recommends that -5% is applied to the grade to allow for the potential inability to selectively to the SMU.

VRM considers that the combination of the consumption build-up and market bid pricing provides some confidence in the operating cost estimates. Noting sensitivity has not been applied to the operating cost estimate, and on the basis of expected variation in the proposed productivity performance, an allowance for a cost increase is appropriate. VRM recommends a 10% sensitivity be applied.

Table 11: VRM recommended amendments to the financial model input assumptions.

Item	PTK Base Casse	VRM recommended	VRM Comments
Allowance for mining dilution 5% & ore loss 5%		-5% grade	In absence of data by pit apply to global assumptions.
■ Mentu	0	-5% grade	
■ Kematang	0	-5% grade	Reported as being embedded in block model, but additional dilution and mining ore loss for operational effectiveness is appropriate.
■ Haran	0	-5% grade	
Metallurgical Recovery Au and Ag		-3% Abs	In absence of data by pit apply to global assumptions.
■ Mentu		-3% Abs	Allowance for:
■ Kematang		-3% Abs	1) upscaling from lab test work to operations and
■ Haran		-3% Abs	2) complexity and composite nature of the feed sources.
			2022 Feasibility Study recommends further optimisation work
Operating Cost – mining		+10%	In absence of data by pit apply to global assumptions.
■ Mentu		+10%	Study costs typically underestimate costs required and over-estimate productivity, resulting in higher unit costs. LoM average of \$7.40 is consistent with and well supported by the work undertaken in the 2022 Feasibility Study report
■ Kematang		+10%	
■ Haran		+10%	
Operating Cost - processing		+10%	Study costs typically underestimate costs required and over-estimate productivity, resulting in higher unit costs.

Item	PTK Base Casse	VRM recommended	VRM Comments
			The 2022 Feasibility Study report states further optimisation is required for the blend of feeds sources and weathering profile; the process will be more complex.
Capital Cost		+10%	Further engineering is required post Feasibility Study, which usually results in an increase in capital cost. Table 10 provides a basis for adjusting the capital costs during the preproduction phase.
Capital Contingency	10%	15%	Cost of construction in location and environment likely to increase
Construction Costs		+10%	Further engineering is required post Feasibility Study, which usually results in an increase in capital cost.
Construction Duration		0	Further engineering changes and optimistic construction schedules usually result in an increase in construction duration over the 2022 Feasibility Study estimate. The increases can delay start-up and revenue, but for the purposes of valuation VRM considers this is addressed in the added contingency.

4. Kusan Block

4.1 Geological Setting

The Kusan Block is positioned within the same geological complex as Timburu, and the reader is referred to Section 3.

4.2 Local Geology and Mineralisation

The Kusan Block is divided into multiple exploration prospects and has seen variable amounts of exploration since the late 1980's, including geological mapping and limited surface sampling. The main prospects defined from historic surface sampling are Pihik, Satui, Pamuatan and Sungai Keruh, with all areas returning anomalous Au results from rock chips (Figure 12). The Sungai Keruh prospect is most advanced having had 117 drill holes (diamond and RC) completed from 1990-1996 as part of a JV between Pelsart and ANTAM (PT PTK, 2024b).

The drilling data at the Sungai Keruh prospect was incorporated by the Company into a MRE reported at Inferred category, following the KCMI Code (2017) (PT PTK, 2022a). However, no documentation is available outlining drill hole survey controls, sampling, sample preparation procedures, assay techniques, database management or QA/QC. As such, VRM does not consider the estimate as appropriate to include in this valuation. Nonetheless, the geological information collected from the drilling is deemed appropriate to consider as an indicator of potential mineralisation styles in the area.

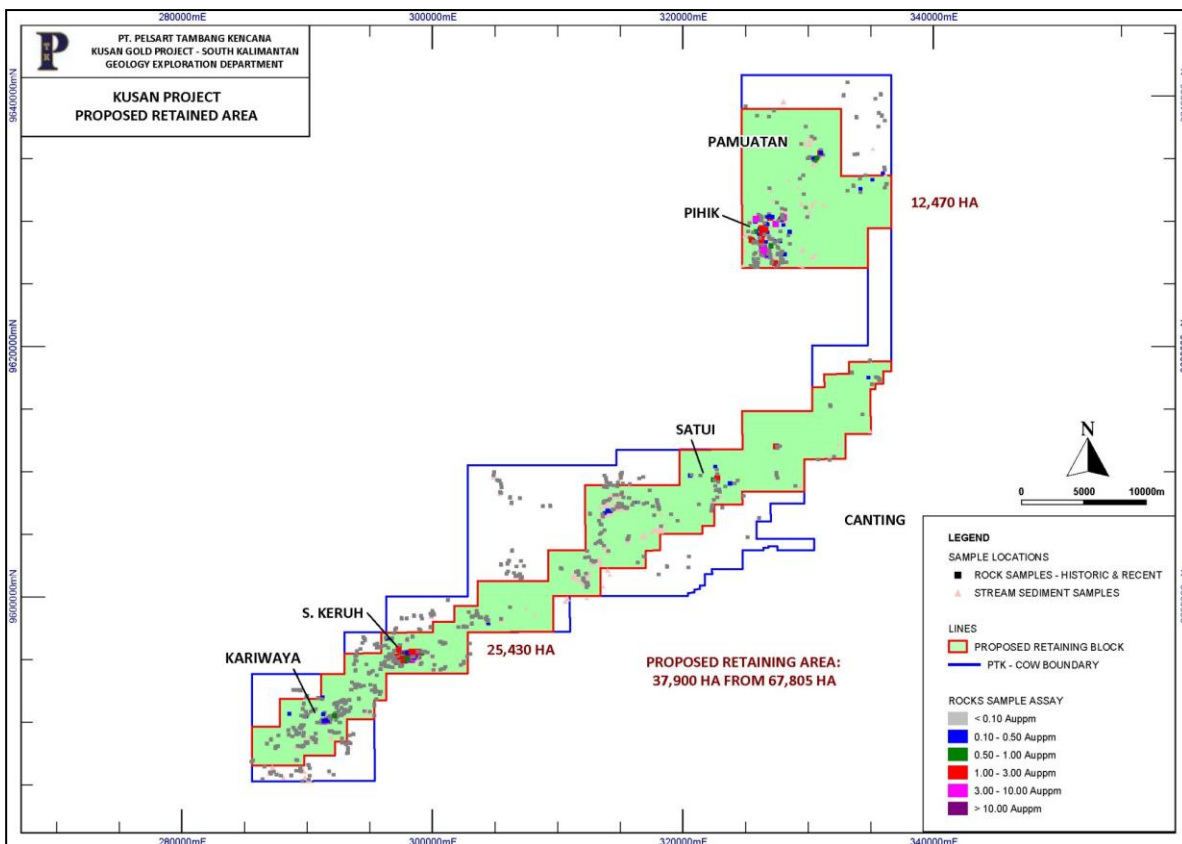


Figure 12: Location of the main prospect areas within the Kusan Block.

Source: PT PTK, 2024b.

The area is characterised by five (5) main hosting litho-structural assemblages as evident in drilling:

- Sheared and altered ultramafic units.
- Andesitic volcanic and volcanoclastic units with brecciation, vuggy, open space cavity development and laminated veins. Propylitic, potassic and phyllic alteration is also noted.
- Syenitic to monzonitic porphyritic intrusive rocks displaying strong potassic alteration overprinted by phyllic mineral assemblages, with occasional breccia.
- Andesitic dikes (considered post-mineralisation); and
- Broad hydrothermal breccias composed of polymictic fragments, generally diorite and monzonite, altered volcanic rocks, quartz vein and sulphide (Mo-Sb-Zn-Cu-Pb).

The Company consider the Sungai Keruh prospect to be representative of an orogenic lode Au system, with a potential overprinting by an intrusion-related base metal + gold system (PT PTK, 2022b). A strong Au-As-Sb-Mo-Pb and Ba geochemical association is noted, with gold developed in quartz-adularia veins and as disseminations reportedly during a k-feldspar alteration event. Later stage carbonate + base metal veins are also documented, as well as a subsequent phyllic alteration event. The potassic alteration systems may be reflective of the strong K-Th response identified in a recent radiometric survey over the area (PT PTK, 2024b; Figure 13). The survey has identified five (5) zones for immediate follow up, defined by coincident K-Th and magnetic signatures.

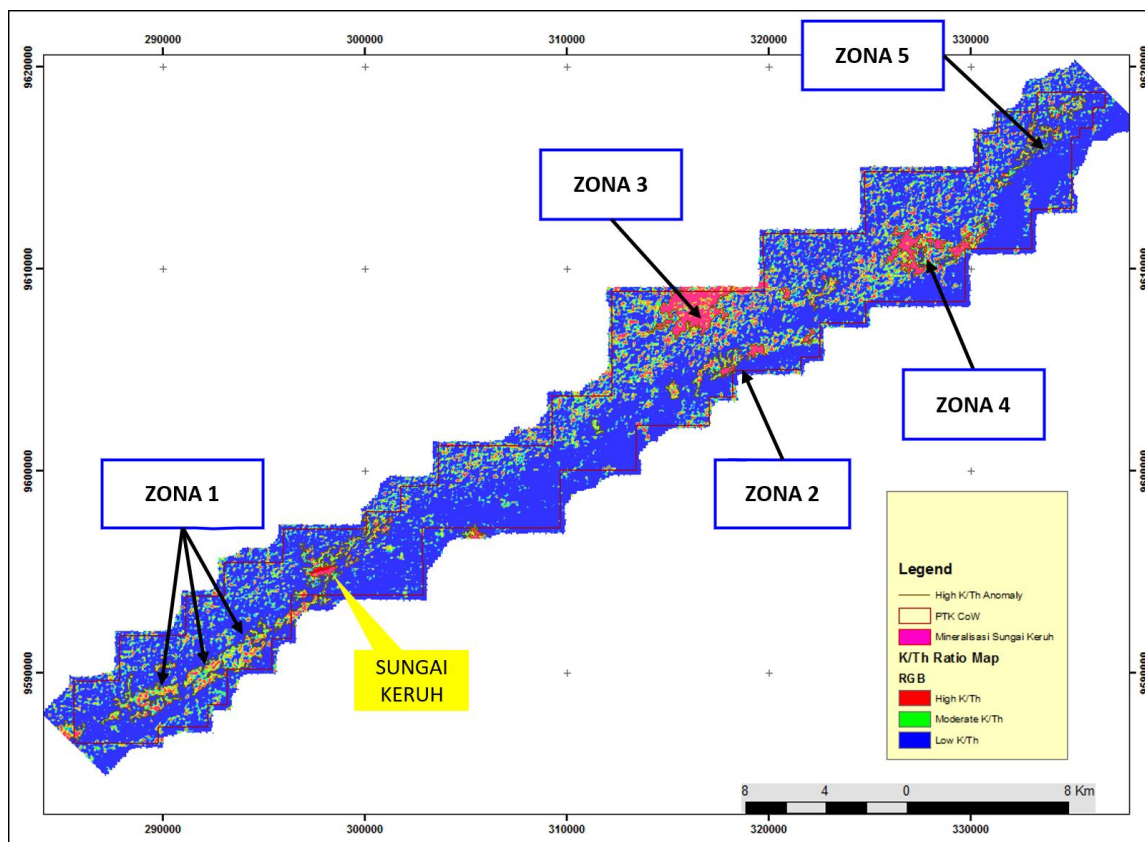


Figure 13: Location of K-Th anomalies from the 2023 Airborne Radiometric survey within the Kusan Block.

Source: PT PTK, 2024b.

4.3 Exploration Potential

The area is geologically complex with multiple overprinting deformation, intrusive and alteration events evident. Although not usable due to a lack of constraints on assay data reliability, the estimate for mineralisation at the Sungai Keruh prospect is based on drill samples that show alteration and sulphide mineralisation.

The Company has recently flown an aeromagnetic survey over the Kusan Block and is targeting coincident zones of high K-Th anomalism with magnetic lows. VRM considers the area to be at a relatively early stage of assessment, and prospective for late-stage orogenic lode Au and intrusion-related Au mineralisation.

5. PT Kasongan Bumi Kencana

The Company holds a 9% interest in PT Kasongan Bumi Kencana (KBK) that operated the Mirah Gold Project in Central Kalimantan, Indonesia (Figure 14).

VRM are informed by the Company that the asset has ceased production, with last mining activities in November 2020, and final ore treated through the processing plant in August 2021. Total production of 457Koz of gold is reported between May 2012 and August 2021 (pers comm., PT PTK).

The Mirah deposit was hosted by andesitic volcanic rocks which are thought to have formed above an Oligocene-Miocene southward-dipping Bernioff zone during a brief period of subduction. These andesites form part of a 400km long arc of discontinuous volcanic centres that define the Central Kalimantan Gold Province. The broader arc has a prolific gold production history from epithermal and porphyry related mineralisation styles, including from the Gunung Mas, Kelian, Mt Muro and Masupa Ria gold deposits (see White et al., 1995). There remains residual exploration potential within the claim for mineralization of a similar style in structures that continue along strike of the depleted open pits.

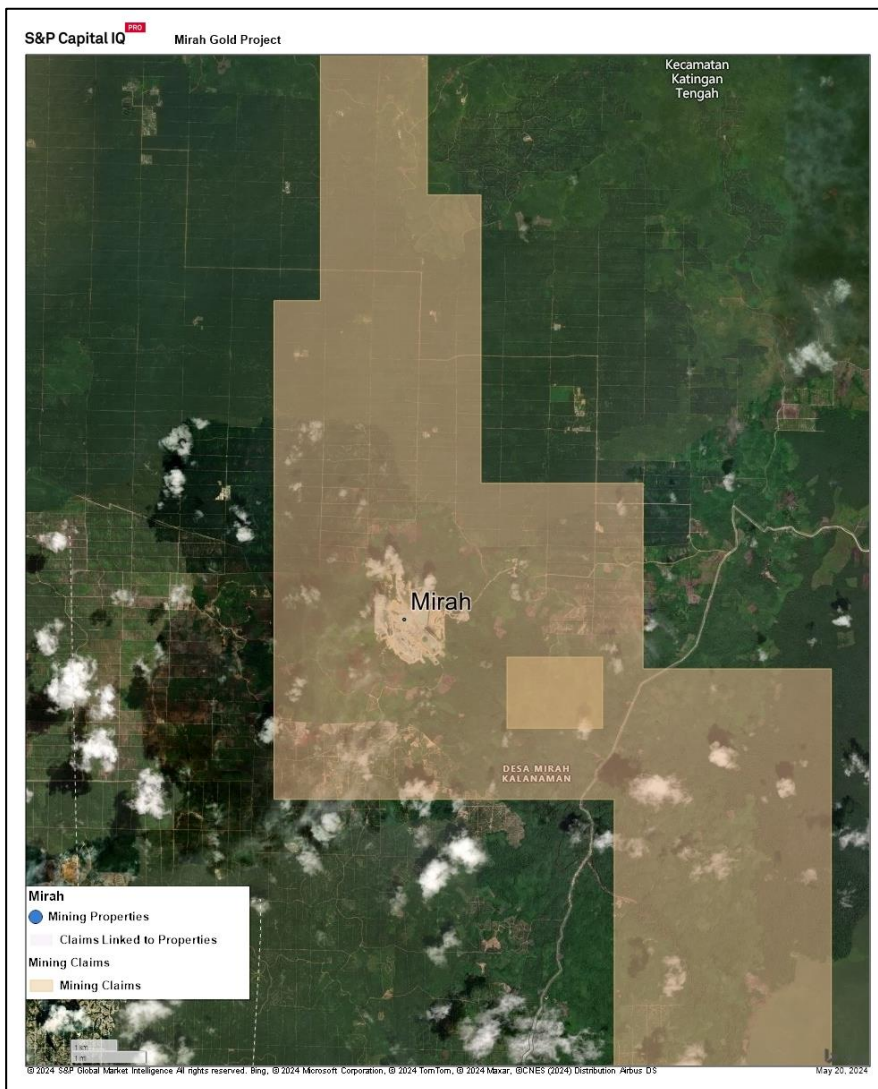


Figure 14: Mirah Gold Project claim and location.

Source: S&P Capital IQ.

6. Valuation Methodology

The VALMIN Code outlines various valuation approaches that are applicable for Properties at various stages of the development pipeline. These include valuations based on market-based transactions, income or costs as shown in Table 12 and provides a guide as to the most applicable valuation techniques for different assets.

Table 12: VALMIN Code 2015 valuation approaches suitable for mineral Properties.

Valuation Approach	Exploration Projects	Pre-development Projects	Development Projects	Production Projects
Market	Yes	Yes	Yes	Yes
Income	No	In some cases	Yes	Yes
Cost	Yes	In some cases	No	No

In accordance with the definitions used in the VALMIN Code the Timburu Projects are best described as development projects. Development Projects are defined in VALMIN as tenure holdings for which a decision has been made to proceed with construction or production or both. VRM understands the development of the Mentau, Haraan and Kembang-Kecil deposits is proceeding, with plant infrastructure currently undergoing fabrication and due on site by mid-2024. The Kusan Project is considered an Exploration Project at a very early stage of assessment. KBK recognised as a depleted deposit, albeit with residual exploration potential along strike of the open pits and as such VRM has assessed the project to be an early stage exploration asset.

There are MREs within the Timburu Block which are reported under KCMI Code (2017). VRM consider these MREs to have been prepared following similar guidelines as applied for estimates defined under JORC (2012), and for valuation purposes, have been considered equivalent. It is noted that the estimates are not reported with accompanying JORC Table 1 documentation, although data typically presented in such tables has been provided for VRM for review.

The combined deposits of Mentau, Haraan and Kembang-Kecil have been considered in a mining study, and Ore Reserves following KCMI (2017) presented. VRM considers these to be current, but not equivalent to Ore Reserves following JORC (2012). Further technical studies are required to improve confidence in the applied modifying factors, and as such, they should be considered with a range of sensitivities as recommended (see Section 3.4). For valuation purposes VRM has therefore considered the respective Mineral Resource precursors of the reported Ore Reserves.

For the reasons outlined above, VRM has elected to value the Timburu Projects using a Comparable Transaction method based on Resource Multiples as a primary valuation method (with appropriate discounts applied), with a secondary valuation being a Yardstick approach. The Kusan Project has been valued following a Geoscientific or Kilburn approach as a primary method, and a Prospectivity Enhancement Multiplier (PEM) approach as a supporting valuation method. The KBK claim has been valued following a Geoscientific or Kilburn approach.

6.1 Previous Valuations

VRM is not aware of any previous valuations for the Projects under review.

6.2 Valuation Subject to Change

The valuation of any mineral Property is subject to several critical inputs most of these change over time and this valuation is using information available as of 6 May 2024 being the valuation date of this Report and considering information up to 6 May 2024. This valuation is subject to change due to updates in the geological understanding, variable assumptions and mining conditions, climatic variability that may impact on the development assumptions, the ability and timing of available funding to advance the properties, the current and future metal prices, exchange rates, political, social, environmental aspects of a possible development, a multitude of input costs including but not limited to fuel and energy prices, steel prices, labour rates and supply and demand dynamics for critical aspects of the potential development like mining equipment. While VRM has undertaken a review of several key technical aspects that could impact the valuation there are numerous factors that are beyond the control of VRM.

As at the date of this Report, in VRM's opinion, there have been no significant changes in the underlying inputs or circumstances that would make a material impact on the outcomes or findings of this Report.

6.3 General Assumptions

The Mineral Assets are valued using appropriate methodologies as described Table 12 and in the following sections. The valuation is based on several specific assumptions detailed above, including the following general assumptions.

- That all information provided to VRM is accurate and can be relied upon.
- The valuations only relate to the Mineral Assets located within the tenements controlled by PT PTK, and not the Company, their shares or market value.
- That the mineral rights, tenement security and statutory obligations were fairly stated to VRM and that the mineral license will remain active.
- That all other regulatory approvals for exploration and mining are either active or will be obtained in the required and expected timeframe.
- That the owners of the Mineral Assets can obtain the required funding to continue exploration activities.
- The Au and Ag prices assumed (where it is used / considered in the valuation) is as at 6 May 2024, being (source S&P Capital IQ)
 - Gold US\$2,316.55/oz
 - Silver US\$26.50/oz
- The US\$ - AUS\$ exchange rate of 0.6609 (www.xe.com).
- All currency in this report are Australian Dollars or AUS\$, unless otherwise noted, if a particular value is in United States Dollars, it is prefixed with US\$.

6.4 Commodity Market Analysis

The Projects being valued in this Report are dominantly prospective for gold (+/- silver). As such, it is important to note the current market conditions and supply and demand fundamentals of the precious metal markets, a summary of which is provided here.

The gold price is fundamentally different to many of the other commodities as the gold price is frequently seen as a pseudo currency and is considered by many as a safe-haven investment option, especially in the current monetary policies of many of the major countries reserve banks. Global uncertainty specifically regarding political instability in Europe and the Middle East and the impacts following of the COVID-19 pandemic, has had a resulting impact to the world economy which has driven an increase in the gold price since early 2020. Figure 15 shows the gold price in USD over the last five years and Figure 16 shows the silver price in USD for the same period.

While the gold price is high in Australian dollars there is a strong bias toward advanced projects obtaining funding and the earlier stage projects being difficult to attract investment money. VRM considers the gold price and gold company interest to be strengthening partly due to the weak US dollar and due to renewed interest in gold companies as an investment option in part due to weakness in other commodities. On the basis of the high gold and silver prices VRM considers that a market premium of 20% should be applied to the technical geoscientific valuation to generate a market valuation of the exploration potential within the various gold and silver mineral projects.

When normalising the transaction valuation to the gold price, VRM has elected to use the spot US dollar gold price for normalisation of the resource multiples.

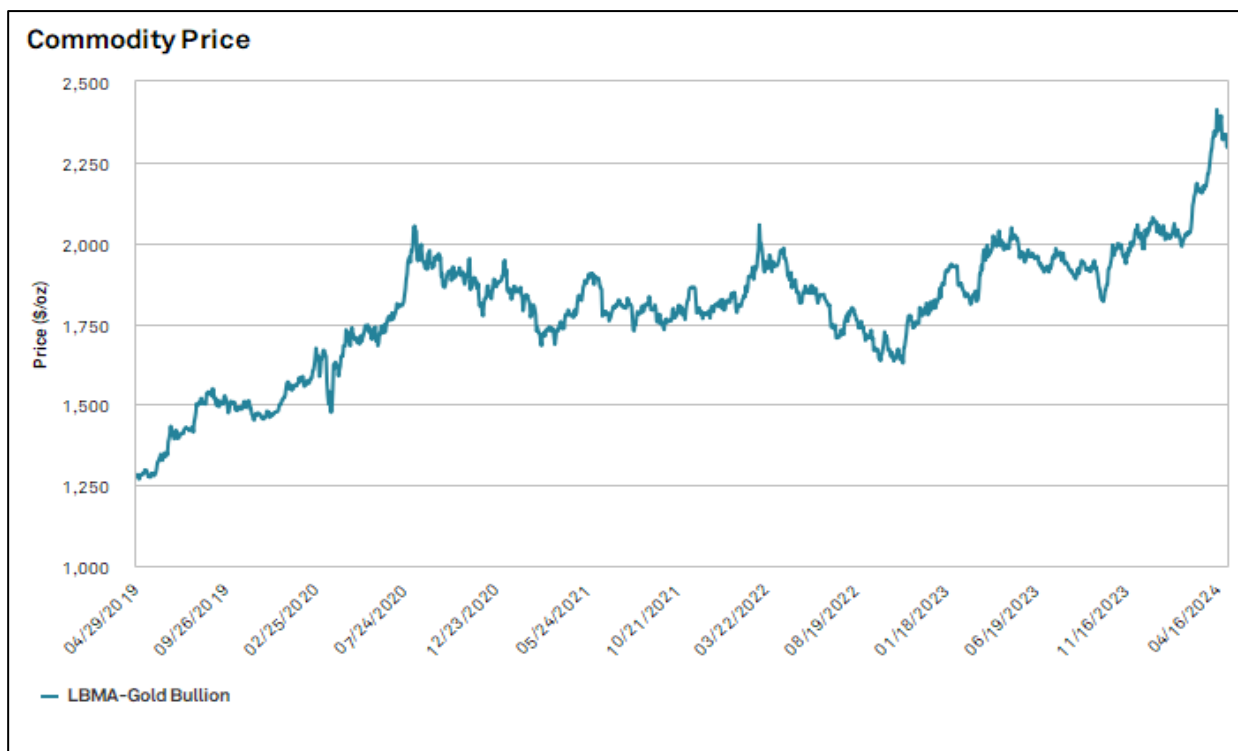


Figure 15: Five Year Gold Spot Price \$USD.

Source: S & P Capital IQ.

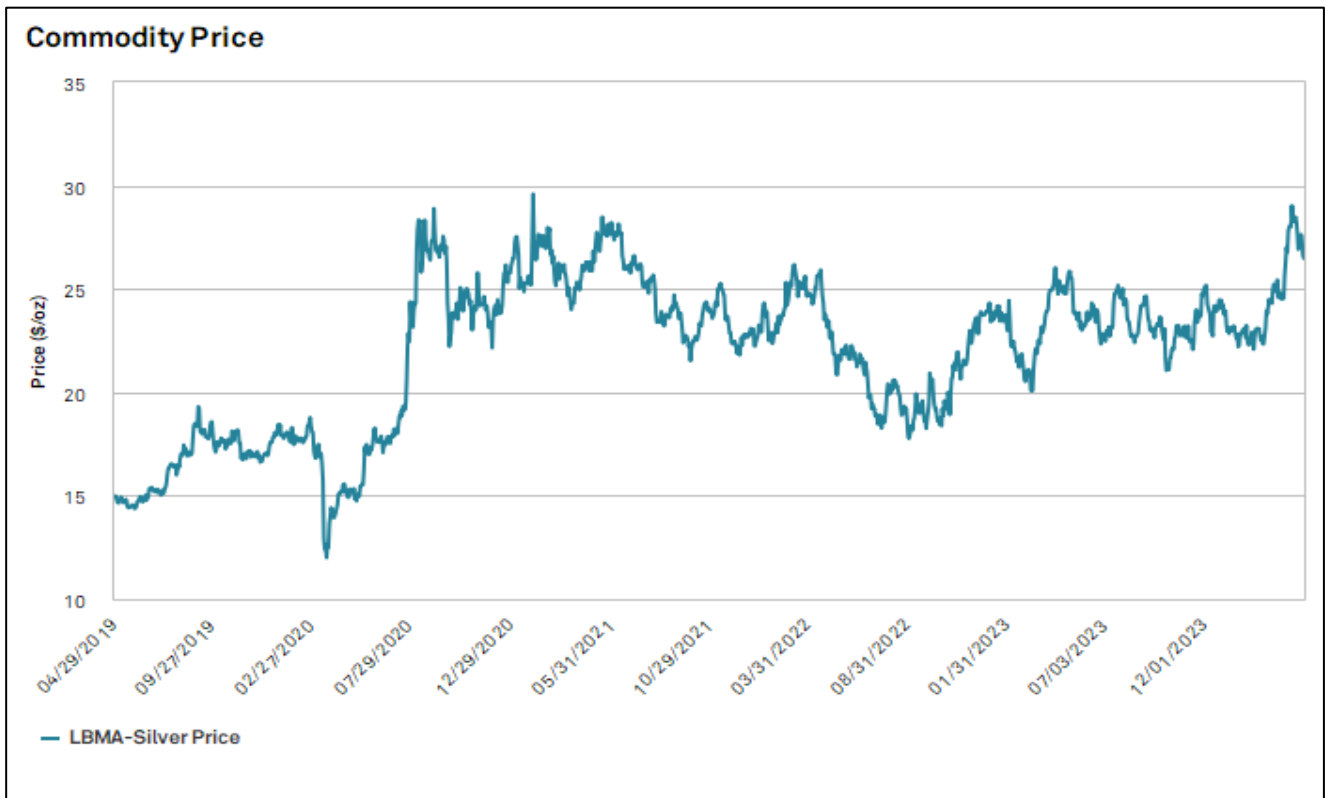


Figure 16: Five Year Silver Spot Price \$USD.

Source: S and P Capital IQ.

6.5 Valuation of Advanced Properties

There are several valuation methods that are suitable for advanced Properties including the following:

- Financial modelling including discounted cash flow (DCF) valuations (generally limited to Properties with published Ore Reserves).
- Comparable Market Based transactions including Resource and Reserve Multiples.
- Joint Venture Transactions; and
- Yardstick valuations

At the Valuation Date there are reported KCM (2017) Ore Reserves for the Timburu Project. However, review of the estimates indicate that further technical studies are required to provide greater confidence in the applied modifying factors and estimated capital and operating costs. For this reason, VRM has elected an alternate valuation approach.

6.5.1 Comparable Market Based Transactions – Resource Based

A Comparable Transactional valuation is a simple and easily understood valuation method which is broadly based on the real estate approach to valuation. It can be applied to a transaction based on the contained metal for projects with Mineral Resource Estimates reported. Advantages of this type of valuation method include that it is easily understood and applied, especially where the resources or tenement area is comparable, and the resource or exploration work is reported according to an industry standard (like the JORC Code or NI43-101).

However, it is not as robust for projects where the resources are either historic in nature, reported according to a more relaxed standard, or are using a cut-off grade that reflects a commodity price that is not justified by the current market fundamentals. If the projects being valued are in the same or a comparable jurisdiction, then it removes the requirement for a geopolitical adjustment. Finally, if the transaction being used is recent then it should reflect the current market conditions.

Difficulties arise when there are a limited number of transactions, where the projects have subtle but identifiable differences that impact the economic viability of one of the projects. For example, the requirement for a very fine grind required to liberate gold from a sulphide rich ore or where the ore is refractory in nature and requires a non-standard processing method.

The information for the comparable transactions has been derived from various sources including the ASX and other securities exchange releases associated with these transactions, a database compiled by VRM for exploration stage projects (with resources estimated) and development ready projects.

This valuation method is the primary valuation method for exploration or advanced (pre-development) projects where Mineral Resources have been estimated. More advanced projects would typically be valued using an income approach due to the modifying factors for a mining operation being better defined.

The preference is to limit the transactions and resource multiples to completed transactions from the past two to five years in either the same geopolitical region or same geological terrain. The comparable transactions have been compiled where Mineral Resources and in some cases Ore Reserves have been estimated. Appendix B details the Resource Multiples for a series of transactions that are considered at least broadly comparable with the Projects under review.

6.5.2 Yardstick Valuation

A Yardstick valuation is undertaken as a check of the Comparable Transactions. This Yardstick valuation is based on a rule of thumb as supported by a large database of transactions where resources and reserves at various degrees of confidence are multiplied by a percentage of the spot commodity price (Table 13). The Yardstick valuation factors used in this Report are in line with other Yardstick valuation factors commonly used by other independent specialists and used in other VALMIN reports. The US\$-AUS\$ exchange rate and commodity price as of 6 May 2024 and documented above have been used to determine the Yardstick valuation.

Table 13: Typical Yardstick Multiples used for gold projects.

Resource or Reserve Classification	Lower Yardstick Multiple (% of Spot Price)	Upper Yardstick Multiple (% of Spot Price)
Ore Reserves	5%	10%
Measured Resources (less Proved Reserves)	2%	5%
Indicated Resources (less Probable Reserves)	1%	2%
Inferred Resources	0.5%	1%

6.6 Exploration Asset Valuation

To generate a value of an early-stage exploration Property or the exploration potential away from a mineral deposit it is important to value all the separate parts of the mineral assets under consideration. In the case of the advanced Properties the most significant value drivers for the overall Property are the declared Mineral Resources or Ore Reserves, while for earlier stage Properties a significant contributor to the Property's value is the exploration potential. There are several ways to determine the potential of pre-resource Properties, these being:

- A Geoscientific (Kilburn) Valuation.
- Comparable transactions (purchase) based on the Properties' area or Mineral Resource estimates (both current and historic).
- Joint Venture terms based on the Properties' area; and
- A prospectivity enhancement multiplier (PEM).

The methodology to determine the Comparable Transactions based on a projects area is undertaken using the same methodology as that described for the Comparable transactions' valuation for advanced projects section; however transactional value is applied to the project's area rather than the Mineral Resources or Ore Reserves. The Joint Venture terms valuation is similar to the comparable transactions based on the project area, other than a discount to the Joint Venture terms is applied to account for the time value of money (an appropriate discount rate is applied) and a discount to the earn-in expenditure to account for the chance that the Joint Venture earn-in expenditure is not completed in the agreed timeframe.

VRM considers a Geoscientific or Kilburn valuation as a robust valuation method. The area based comparable transaction multiples can also be useful in valuations but are strongly related to the projects tenement area so can be conservative for small areas and overstated for large areas. It is the view of VRM that the least transparent and most variable valuation method is a PEM valuation as this depends on an assessment of the effectiveness of the expenditure.

6.6.1 Geoscientific (Kilburn) Valuation

One valuation technique that is widely used to determine the value of a project that is at an early exploration stage without any Mineral Resources or Ore Reserve estimates was developed and is described in an article published in the CIM bulletin by Kilburn (1990). This method is widely termed the geoscientific method where a series of factors within a project are assessed for their potential.

While this technique is somewhat subjective and open to interpretation it is a method that when applied correctly by a suitably experienced specialist enables an accurate estimate of the value of the project. There are five critical aspects that need to be considered when using a Kilburn or Geoscientific valuation, these are the base acquisition cost, which put simply is the cost to acquire and continue to retain the tenements being valued. The other aspects are the proximity to both adjacent to and along strike of a major deposit (Off Property Factors), the occurrence of a mineral system on the tenement (On Property Factors), the success of previous exploration within the tenement (Anomaly Factors) and the geological prospectivity of the geological terrain covered by the mineral claims or tenements (Geological Factors). In early-stage projects often the anomaly factors and geological factors have limited information.

While this valuation method is robust and transparent it can generate a very wide range in valuations, especially when the ranking criteria are assigned to a large tenement. This method was initially

developed in Canada where the mineral claims are generally small therefore reducing the potential errors associated with spreading both favourable and unfavourable ranking criteria to be spread over a large tenement. Therefore, VRM either values each tenement or breaks down a larger tenement into areas of higher and lower prospectivity.

Table 14 documents the ranking criteria that were used in conjunction with the base acquisition cost (BAC) for the project tenements to determine the technical valuation of the project. VRM determines the BAC based on the holding cost of maintaining the tenement for the next year. That cost is determined by the minimum exploration commitment required on the tenement. The BAC in this instance has been determined using the annual rent payment conditions as provided by PT PTK.

The technical valuation derived from the Kilburn ranking factors are frequently adjusted to reflect the geopolitical risks associated with the location of the project and the current market conditions toward a specific commodity or geological terrain. These adjustments can either increase or decrease the technical value to derive the fair market valuation. Using the ranking criteria from Table 14 along with the base acquisition costs tabulated in the appendices an overall technical valuation is determined.

The total technical valuation was adjusted to derive a market valuation by making a market factor adjustment and a locational adjustment. A market factor was derived to account for the status of the market which is currently elevated as shown in Figure 15. On that basis, the technical valuations are increased by 20%. These premia/discounts were based on the currently very high gold prices which is at (or near) an all-time high. A 5% reduction was applied for permitting, environmental and heritage risks in Indonesia.

For early-stage Projects (where there are no Mineral Resources estimated), VRM considers the Geoscientific (Kilburn) Valuation method to be the most robust and is commonly the primary valuation method used for the surrounding exploration potential.

6.6.2 Prospectivity Enhancement Multiplier (PEM) Valuation

As outlined in Table 12 and in the VALMIN Code a cost – based or appraised value method is an appropriate valuation technique for early-stage exploration Properties. Under this method, the previous exploration expenditure is assessed as either improving or decreasing the potential of the Property.

The prospectivity enhancement multiplier (PEM) involves a factor which is directly related to the success of the exploration expenditure to advance the Property. There are several alternate PEM factors that can be used depending on the specific Property and commodity being evaluated. Onley, (1994) included several guidelines for the use and selection of appropriate PEM criteria. The PEM ranking criteria used in this report are outlined in Table 15.

VRM considers the PEM valuation method as a secondary valuation method. In the opinion of the author, it is preferable to use resource multiples for comparable transactions once a JORC 2012 Resource has been estimated however if there are no comparable transactions then a PEM is a viable valuation method.

Table 14: Ranking Criteria used to determine the geoscientific technical valuation.

Rating	Off-property factor	On-property factor	Anomaly factor	Geological factor
0.1	-	-	-	Generally unfavourable geological setting
0.5	-	-	Extensive previous exploration with poor results	Poor geological setting
0.9	-	-	Poor results to date	Generally unfavourable geological setting, under cover
1.0	No known mineralisation in district	No known mineralisation within	No targets defined	Generally favourable geological setting
1.5	Mineralisation identified	Mineralisation identified	Target identified; initial indications	
2.0	Resource targets identified	Exploration targets identified	positive	Favourable geological setting
2.5			Significant intersections – not correlated on section	Mineralised zones exposed in prospective host rocks
3.0	Along strike or adjacent to known mineralisation	Mine or abundant workings with significant previous production		
3.5			Several significant ore grade intersections that can be correlated	
4.0	Along strike from a major mine(s)	Major mine with significant historical production		-
5.0	Along strike from world class mine			

Table 15: Prospectivity Enhancement Multiplier (PEM) ranking criteria.

Range	Criteria
0.2 – 0.5	Exploration downgrades the potential
0.5 – 1	Exploration has maintained the potential
1.0 – 1.3	Exploration has slightly increased the potential
1.3 – 1.5	Exploration has considerably increased the potential
1.5 – 2.0	Limited Preliminary Drilling intersected interesting, mineralised intersections
2.0 – 2.5	Detailed Drilling has defined targets with potential economic interest
2.5 – 3.0	A Mineral Resource has been estimated at an Inferred category

7. Valuation of the Mineral Assets

The principal Mineral Assets valued as a part of this ITAR are Projects that contain MREs and OREs (KCMI, 2017) within the Timburu Block, and exploration stage prospects within the Kusan Block. The Company also holds an interest in a now depleted mining operation in Central Kalimantan, which is valued based on its residual exploration potential.

VRM has undertaken a valuation based on several techniques. A Comparable Transaction (Resource Multiplier) and Yardstick method as a cross check, has been applied for the reported Mineral Resources and Ore Reserves at the Timburu Project. The exploration tenure at Kusan and KBK have been valued considering a Kilburn or Geoscientific valuation method, with a Prospectivity Enhancement Multiplier (PEM) method applied as a secondary approach for Kusan.

7.1 Comparable Transactions – Resource Multiples

For the Projects with gold Mineral Resources and Ore Reserves, an analysis of completed project-based gold transactions was compiled for projects that are considered comparable in geopolitical jurisdictions, of similar geology and possible development scenario, assumed to be a conventional open pit mining operation with an onsite processing facility producing a gold dore. The final set of data used to derive the valuation included eight (8) transactions involving gold and gold equivalent Mineral Resources and/or Ore Reserves, as detailed in Appendix B. The resource multiples based on the comparable transactions have been normalised to the gold price at the transaction date, with that normalised against the gold price at 6 May 2024. Applying this methodology, the average normalised multiples are A\$58 per ounce. VRM considers that a range should be determined, and based on the comparable transactions has elected to determine the range as +/- 25% from the preferred resource multiple.

The resource multiples detailed above and supported by the information in Appendix B have been used along with the MREs discussed above to derive a value for the Timburu Block Projects. The MREs in this instance are inclusive of the OREs. The contained gold in the MREs has been calculated by VRM based on the reported Resource tonnage and grades, and results in a slightly different contained gold (and silver) quantum compared to the declared MREs. This variation is due to rounding in the estimates. The exploration potential within the tenement away from the MREs is considered as incorporated in the valuation. Table 16 summarises the valuation of the gold MREs on a Comparable Transaction basis.

Table 16: Comparable transaction valuation of the Mineral Resource estimates.

Project	Lower (-25 %)	Preferred (Average)	Upper (+25 %)
Mentau	40.7	54.3	67.9
Mentau Bawah	0.4	0.6	0.7
Haraan	15.2	20.3	25.4
Kembatang-Kecil	13.4	17.9	22.4
Valuation of Timburu Block Mineral Resources (A\$M)	69.8	93.1	116.4

Note appropriate rounding has been applied to the valuation totals. US\$ to A\$ exchange rate of 0.66 has been applied.

VRM considers that the MRE's have a market value, based on comparable transactions, of between **A\$70 million** and **A\$116 million** with a preferred valuation of **A\$93 million**.

7.2 Yardstick Method

As detailed above, the Yardstick method can also be considered as a valuation approach, particularly as a cross check or supporting valuation technique to support the valuation generated by a comparable transaction method. This method is typically used as a supporting approach for valuation of Ore Reserves and / or Mineral Resources and is based on a percentage of the current metal price.

For Mineral Resource estimates, a common Yardstick value would be between 0.5% and 5% of the current commodity price, dependent on the Mineral Resource classification as at the valuation date. For lower classification levels such as Inferred Mineral Resources this percentage is lower reflecting the higher uncertainty compared to Indicated or Measured categories. The Yardstick multiples are commonly used for gold transactions and has been developed by the valuation industry as a basis of possible project valuations based on a large dataset of gold transactions.

VRM has applied a range of percentage values, corresponding to the classification of the gold Mineral Resources within the Projects and the gold (US\$/oz) prices at the valuation date. Given the risks relating to the ORE described above, VRM has chosen to value the Reserves as their respective Mineral Resource precursor in the Yardstick approach. The valuations are summarised in Table 17.

Table 17: Yardstick Valuation Summary of Mineral Resources in the Timburu Block.

Project	Mineral Resources (M, Ind & Inf) (Au oz)	Equity	Lower (\$M)	Midpoint (\$M)	Upper (\$M)
Menteu	942,646	100%	33.2	51.6	70.0
Menteu Bawah	10,141	100%	0.2	0.3	0.4
Haraan	352,299	100%	11.4	17.1	22.8
Kembatang-Kecil	310,532	100%	8.6	12.9	17.2
Valuation of Timburu Mineral Resources (A\$M)		100%	53.4	81.8	110.3

Note – Yardstick Valuation based on gold price of A\$3,505.14/oz. The contained gold may vary slightly from the reported contained metal due to the contained metal in the table above being calculated by VRM. Appropriate rounding has been applied to the Mineral Resource estimates and valuation.

Therefore, VRM considers the Mineral Resource estimates within the Timburu Block as detailed above to be valued, based on a Yardstick approach, at between **\$53 million** and **\$110 million** with a preferred valuation of **\$82 million**.

7.3 Geoscientific Valuation

There are several specific inputs that are critical in determining a valid geoscientific or Kilburn valuation, these are ensuring that the specialist undertaking the valuation has a good understanding of the mineralisation styles within the overall region, the tenements and has access to all the exploration and geological information to ensure that the rankings are based on a thorough knowledge of the project.

In addition to ensuring the rankings are correct, deriving the BAC is critical as that is the primary driver of the final value. In this case the BAC is derived by the annual costs to maintain the tenements in good standing. In this region of Indonesia, Pt PTK inform that these costs are restricted to the Forrest Rent and "Dead" Rent costs.

The Geoscientific rankings were derived for each of the ranking criteria with the Off-Property Criteria considered to be between 1.5 and 3.5, the On-Property Criteria between 2.5 and 3.5, the Anomaly Factor between 2.5 and 4.0 while the Geology Criteria are considered to be between 2.5 and 4.0. When these ranking criteria are combined with the base acquisition cost, as detailed in Appendix C, this has determined the technical value. A premium of 20% has been applied to the technical value of the gold projects to account for the current market conditions. A 5% discount has been applied for the heritage and environmental aspects and the current inflationary pressures on projects in Indonesia.

The Technical and Market Values of the exploration projects and KBK, are shown in Table 18. The technical valuation is the base acquisition cost multiplied by the ranking factors outlined in Appendix C while the Market Value is the Technical Value multiplied by the geopolitical risk and market adjustment.

Table 18: Geoscientific valuation of the PT PTK exploration Projects and KBK.

Projects	Technical Valuation (AUS\$M)			Fair Market Valuation (AUS\$M)		
	Lower	Preferred	Upper	Lower	Preferred	Upper
Timburu Block	Incorporated in the MRE valuation					
Kusan Block	0.70	1.18	1.67	0.79	1.35	1.90
KBK	0.09	0.13	0.16	0.10	0.14	0.19
Value of Exploration Potential	0.78	1.31	1.83	0.89	1.49	2.09

Appropriate rounding to the total valuation has been undertaken.

The exploration potential within the Kusan Project on a 100% equity basis, and at KBK (9% PT PTK equity), is considered to have a market value of between **\$0.9 million** and **\$2.1 million** with a preferred value of **\$1.5 million**.

7.4 Prospectivity Enhancement Multiplier (PEM) Valuation

VRM has undertaken a PEM valuation for the Kusan Block based on the exploration expenditure provided by the Company. This expenditure is solely in reference to a regional geophysical survey completed over the CoW in 2023. The exploration value for Timburu has been included as part of the MRE valuation approach and is not considered here. Project acquisitions costs were excluded from the analysis as these are considered sunk costs and not contributing to geological / prospectivity knowledge. The reported expenditure has been multiplied by the Prospectivity Enhancement Multiplier as detailed in Table 15.

To generate a range in the PEM valuation VRM has assessed the effectiveness of the exploration expenditure and therefore used an upper and lower PEM multiple to generate a range of likely values of the Projects. The preferred valuation is the average of the upper and lower PEM valuation.

Table 19 details the expenditure, the PEM multiples, and the valuations for the Kusan Block Projects. The final fair market valuation as determined by the PEM valuation method is between **\$0.8 million** and **\$0.9 million** with a preferred valuation of **\$0.85 million**.

Table 19: PEM Valuation of the Kusan Project.

Project	Total Expenditure (A\$)	Lower (A\$M)	Preferred (A\$M)	Upper (A\$M)
Kusan Project	606,400	0.79	0.85	0.91

8. Risks and Opportunities

8.1 General Risks and Opportunities

The data included in this Report and the basis of the interpretations herein have been derived from a compilation of data sourced from the Company and supplemented with other public data. In addition, company presentations and academic literature has been utilised to evaluate the historic exploration data, and to ascertain the prospectivity potential and possible mineralisation systems present within the Projects reviewed. There are two potential sources of uncertainty associated with this type of information compilation; 1. significant material information may not have been identified in the data compilation, and 2. There is a potential risk associated with the timely release of the exploration reports related to the areas of interest. This is of particular relevance given that PT PTK is an unlisted entity that is not bound by continuous disclosure commitments.

Global economics such as changes to commodity prices and access to capital to fund exploration can be considered as both risks and opportunities. These are factors that are outside of the control of the Company, as are broader societal issues.

8.2 Project Specific Risks and Opportunities

There are KCMI (2017) Mineral Resource and Ore Reserve estimates within the Projects reviewed. These relate to the Timburu Projects, with Kusan being an earlier stage exploration play. Although broadly based on the JORC Code (2012) in terms of the expected estimation approach and the requirement of "sign-off" by a competent Person, the KCMI (2017) reporting of the estimates does not follow the same rigour as that expected under JORC (2012). Nonetheless, for the Mineral Resources, VRM considers that the detailed reports furnished by the Company outline in sufficient detail the data support and estimation processes used. This has allowed VRM to establish a position on the reliability of the estimates, as based on the key criteria generally tested as part of a MRE review. On this basis, VRM considers the estimates to be a reasonable global representation of the mineralisation at Mentau (and Mentau Bawah), Haraan and Kembatang-Kecil, and they have been treated as equivalent to those that would be reported following the JORC (2012) guidelines for valuation purposes.

A key area of risk relating to the MREs is the use of internal laboratories for the majority of the gold and silver assays, although sufficient QA/QC documentation and external umpire laboratory cross-checking of results indicates no bias and good precision / correlation with the main laboratory results. This provides confidence in the grades as presented.

The Company has completed a mining study that has considered the coeval development of the deposits at Mentau, Haraan and Kembatang-Kecil, and Ore Reserves following KCMI (2017) are reported.

Although the expected key technical areas of study for a Feasibility assessment have been considered, the mining, processing, and capital and operating cost assumptions presumably derived from the study are based on limited detailed design and require updating. For the reasons outlined in Section 3.4, VRM considers that further technical studies are required to improve confidence in the applied modifying factors and cost assumptions presented in the Company's financial model.

From an exploration potential perspective (i.e., Kusan and extensions to Mentau Bawah), exploration by its very nature has significant risks, particularly for early-stage projects. Based on the industry-wide exploration success rates it is possible that no additional significant economic mineralisation will be located within Kusan (or extensions to Mentau Bawah). Even in the event significant mineralisation is

defined, factors both in and out of the control of the Company may prevent the development of such mineralisation. These may include environmental, safety and regulatory risks associated with exploration. Further, should mineralisation be defined, risks associated with mining, metallurgical and processing facilities requirements and services, ability to develop infrastructure appropriately, and mine closure processes will all require assessment as part of successive technical-economic studies akin to that completed at Timburu. A risk exists that fatal flaws may be identified during these studies, that impede project development.

9. Preferred Valuations

Based on the valuation techniques detailed above, Table 20 provides a summary of the valuations derived for the Mineral Resources and the exploration potential within the Projects by the various techniques. In this context, VRM considers the Timburu Block, Kusan Block and KBK Project to be collectively valued at between **\$71 million** and **\$118 million**, with a preferred valuation of **\$95 million**.

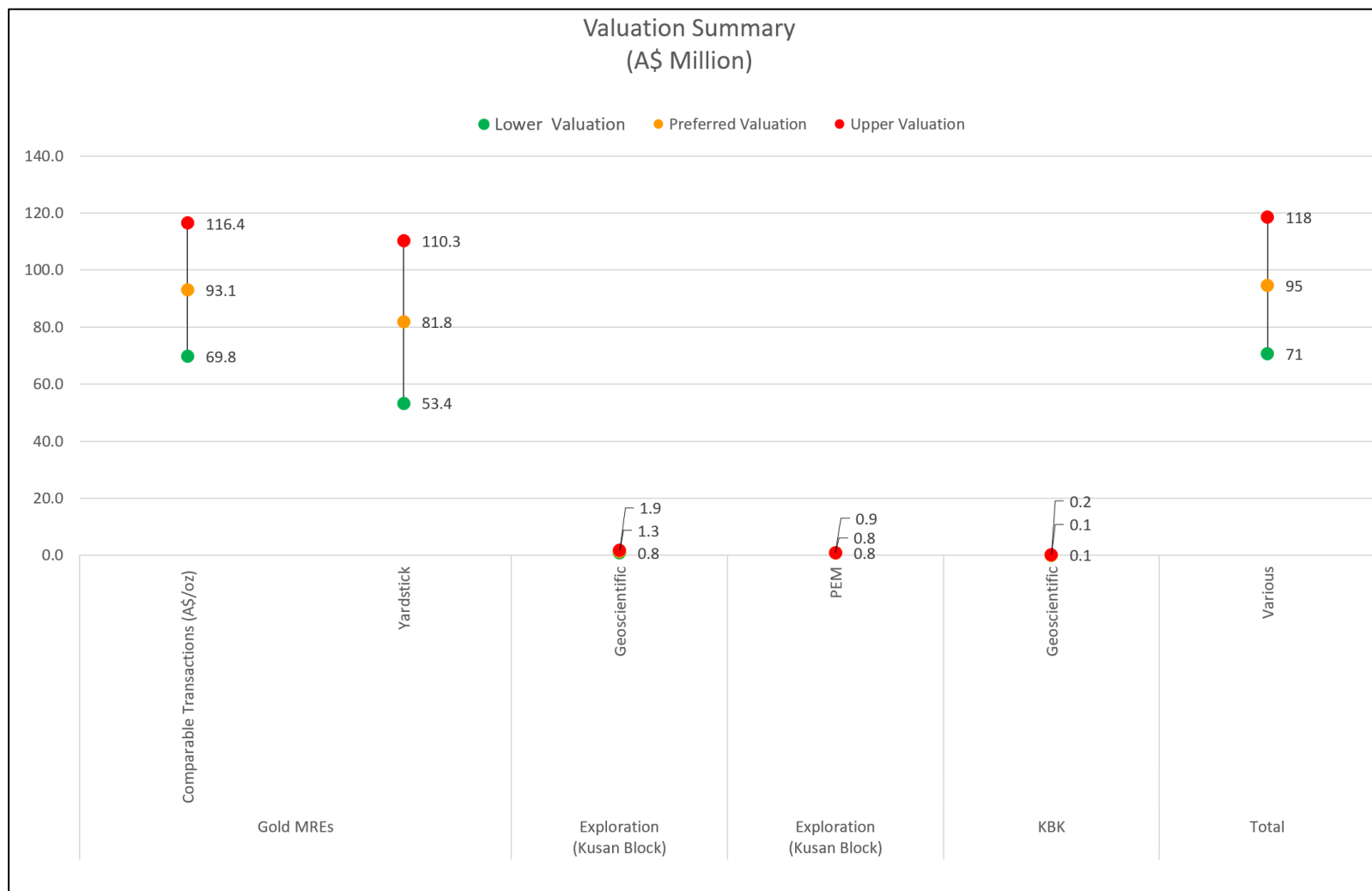
This valuation range considers Timburu and Kusan on a 100% equity basis, and KBK based on Pelsarts 9% interest only. Pelsart International's 70% equity interest in Timburu and Kusan is reflected in BDO's IER.

Figure 17 graphically presents the valuation range and preferred valuation for the Mineral Assets.

Table 20: Valuation Summary for Projects by valuation method.

Asset	Method	Priority	Lower Valuation	Preferred Valuation	Upper Valuation	Comment
Gold MRE's (Timburu Project)	Comparable Transactions (A\$/oz)	Primary	698	93.1	116.4	* 8 yrs of transactions with no top or bottom transaction cut due to limited sample size (8 transactions)
	Yardstick	Supporting	53.4	81.8	110.3	* 740koz of ORE valued as their MRE equivalent given the design basis for the technical-economic input assumptions provided by the Company require further study
Exploration Kusan	Geoscientific	Primary	0.8	1.3	1.9	* Exploration value for Timburu accounted for in the MREs / OREs * Utilizes the 2023 geophysical survey as main expense
	PEM	Supporting	0.8	0.8	0.9	* BAC determined by Dead Rent and Forrest Rent costs * Proportionally allocated to Kusan based on tenement size
KBK	Geoscientific	Primary	0.10	0.14	0.19	* BAC determined by Dead Rent and Forrest Rent costs calculated on a \$/ha basis using the Timburu respective costs as a guideline
Total	Various		71	95	118	

Figure 17: Valuation range and preferred valuation for the Mineral Assets reviewed in this ITAR.



10. References

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Appendix A Location co-ordinates for the PT PTK Blocks

Table 21: Timburu Block Co-ordinates

No.	Longitude			Latitude		
	Degree	Minute	Second	Degree	Minute	Second
1	115	49	20.0	2	37	0.0
2	115	49	20.0	2	31	60.0
3	115	50	60.0	2	31	60.0
4	115	50	60.0	2	30	0.0
5	115	51	56.0	2	30	0.0
6	115	51	56.0	2	25	57.0
7	115	57	20.0	2	25	57.0
8	115	57	20.0	2	34	29.0
9	115	57	0.0	2	34	29.2
10	115	57	0.0	2	34	59.2
11	115	55	60.0	2	34	59.0
12	115	55	60.0	2	37	0.0

Table 22: North Kusan Block Co-ordinates

No.	Longitude			Latitude		
	Degree	Minute	Second	Degree	Minute	Second
1	115	29	37.0	3	15	54.5
2	115	25	20.0	3	15	54.5
3	115	25	20.0	3	22	48.0
4	115	30	45.0	3	22	48.0
5	115	30	45.0	3	21	5.6
6	115	31	46.0	3	21	5.6
7	115	31	46.0	3	18	48.8
8	115	29	37.0	3	18	48.8

Table 23: South Kusan Block Co-ordinates

No.	Longitude			Latitude		
	Degree	Minute	Second	Degree	Minute	Second
1	115	31	46.0	3	26	52.1
2	115	29	56.6	3	26	52.1
3	115	29	56.6	3	27	24.2
4	115	28	52.4	3	27	24.2
5	115	28	52.4	3	27	57.8
6	115	28	21.0	3	27	57.8
7	115	28	21.0	3	28	60.0
8	115	25	20.0	3	28	60.0
9	115	25	20.0	3	30	40.0
10	115	22	37.1	3	30	40.0
11	115	22	37.1	3	32	11.9
12	115	18	33.3	3	32	11.9
13	115	18	33.3	3	35	1.0
14	115	16	57.0	3	35	1.0
15	115	16	57.0	3	36	21.0
16	115	13	29.0	3	36	21.0
17	115	13	29.0	3	37	0.0
18	115	13	10.3	3	37	0.0
19	115	13	10.3	3	37	24.8
20	115	11	57.9	3	38	36.4
21	115	10	8.7	3	38	53.9
22	115	8	10.0	3	40	21.0
23	115	5	7.9	3	42	26.1
24	115	4	10.0	3	42	37.8
25	115	4	10.0	3	44	18.7
26	115	6	24.9	3	44	18.7
27	115	6	24.9	3	43	52.7

No.	Longitude			Latitude		
	Degree	Minute	Second	Degree	Minute	Second
28	115	7	44.7	3	43	52.7
29	115	7	44.7	3	43	17.4
30	115	8	15.4	3	43	17.4
31	115	8	15.4	3	42	18.8
32	115	9	27.0	3	42	18.8
33	115	9	27.0	3	41	30.0
34	115	9	58.0	3	41	30.0
35	115	9	58.0	3	40	21.0
36	115	13	29.0	3	40	21.0
37	115	13	29.0	3	38	33.0
38	115	17	53.0	3	38	33.0
39	115	17	53.0	3	37	0.0
40	115	19	12.6	3	37	0.0
41	115	19	12.6	3	35	48.0
42	115	21	9.0	3	35	48.0
43	115	21	9.0	3	35	2.0
44	115	21	46.3	3	35	2.0
45	115	21	46.3	3	34	19.3
46	115	23	36.1	3	34	19.3
47	115	23	36.1	3	33	58.5
48	115	24	6.7	3	33	58.5
49	115	24	6.7	3	33	3.1
50	115	25	19.8	3	33	3.1
51	115	25	19.8	3	32	29.8
52	115	28	0.0	3	32	29.8
53	115	28	0.0	3	31	5.0
54	115	29	47.0	3	31	5.0
55	115	29	47.0	3	30	0.0
56	115	30	52.0	3	30	0.0
57	115	30	52.0	3	28	4.0
58	115	31	4.0	3	28	4.0
59	115	31	4.0	3	27	50.0
60	115	31	25.0	3	27	50.0
61	115	31	25.0	3	27	17.0
62	115	31	46.0	3	27	17.0
63	115	31	46.0	3	26	52.1

Appendix B Comparable Transactions and Resource Multiples

Date	Completion Date	Project	Country	Buyer	Seller	A\$ (M)	Equity	Acquired Resource/Reserves Au (oz)	Resource Multiple A\$/oz	Normalised Resource Multiple A\$/oz
3/04/2017	30/06/2017	Bong Mieu, Phuoc Son	Vietnam	Hok Holdings Ltd	Besra Gold Inc.	32.77	100%	1,110,338	29.51	62.71
28/01/2022	1/03/2022	Pani	Indonesia	Andalan International Pte Ltd and PT Merdeka Copper Gold Tbk	Lion Selection Group Limited	74.35	33%	782,100	95.06	130.59
24/06/2020	25/03/2021	Misima	PNG	Kingston Resources Ltd	ENEOS Holdings Inc.	2.00	19%	609,900	3.28	4.46
1/02/2018	13/04/2018	Pani	Indonesia	Lion Selection Group Limited	One Asia Resources Ltd	15.06	33.3%	789,210	19.08	39.92
5/09/2017	12/12/2017	West Lombok	Indonesia	PT Ancora Indonesia Resources	Southern Arc Minerals Inc.	2.51	90%	1,341,512	1.87	3.94
5/11/2018	31/12/2018	Pani	Indonesia	PT Merdeka Copper Gold Tbk.	Provident Capital Partners Pte. Ltd.	76.46	66.60%	1,578,420	48.44	99.35
31/01/2017	15/09/2017	Altan Tsagaan Ovoo	Mongolia	Steppe Gold Ltd.	Centerra Gold Inc.	25.59	100%	779,000	32.85	72.21
14/07/2022	30/09/2022	Sawayaerdun	China	Zijin Mining Group Northwest Company Limited	GobiMin Inc.	109.53	70%	2,919,700	34.64	47.81

Source: S & P Capital IQ.

Appendix C Geoscientific Valuation of the Pelsart Exploration Projects

Tenement	BAC (AUS\$)	Off Property		On Property		Anomaly Factor		Geology Factor		Technical Valuation (AUS\$)			Fair Market Valuation (AUS\$M)		
		Low	High	Low	High	Low	High	Low	High	Lower	Preferred	Upper	Lower	Preferred	Upper
Timburu Block	24,079	3.0	3.5	2.5	3.0	3.5	4.0	3.5	4.0	Incorporated in the MRE valuation					
Kusan Block	37,098	1.5	2.0	2.0	2.5	2.5	3.0	2.5	3.0	0.70	1.18	1.67	0.79	1.35	1.90
KBK	12,066	3.0	3.5	3.0	3.5	3.0	3.5	3.0	3.5	0.09	0.13	0.16	0.10	0.14	0.19

Glossary

Below are brief descriptions of some terms used in this report. For further information or for terms that are not described here, please refer to internet sources such as Webmineral [[Mineralogy Database \(webmineral.com\)](http://webmineral.com)] and Wikipedia ([Wikipedia](http://wikipedia.org)).

The terms listed below are taken from the 2015 VALMIN Code ([The VALMIN Code - 2015 Edition](#)).

Annual Report means a document published by public corporations on a yearly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

Australasian means Australia, New Zealand, Papua New Guinea and their off-shore territories.

Code of Ethics means the Code of Ethics of the relevant Professional Organisation or Recognised Professional Organisations.

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

Experts are persons defined in the Corporations Act whose profession or reputation gives authority to a statement made by him or her in relation to a matter. A Practitioner may be an Expert. Also see Clause 2.1 of the VALMIN Code.

Exploration Results is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <https://www.jorc.org/> for further information.

Feasibility Study means a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-feasibility Study.

Financial Reporting Standards means Australian statements of generally accepted accounting practice in the relevant jurisdiction in accordance with the Australian Accounting Standards Board (AASB) and the *Corporations Act*.

Independent Expert Report means a Public Report as may be required by the *Corporations Act*, the Listing Rules of the ASX or other security exchanges prepared by a Practitioner who is acknowledged as being independent of the Commissioning Entity. Also see ASIC Regulatory Guides RG 111 and RG 112 as well as Clause 5.5 of the VALMIN Code for guidance on Independent Expert Reports.

Information Memoranda means documents used in financing of projects detailing the project and financing arrangements.

Investment Value means the benefit of an asset to the owner or prospective owner for individual investment or operational objectives.

Life-of-Mine Plan means a design and costing study of an existing or proposed mining operation where all Modifying Factors have been considered in sufficient detail to demonstrate at the time of reporting that extraction is reasonably justified. Such a study should be inclusive of all development and mining activities proposed through to the effective closure of the existing or proposed mining operation.

Market Value means the estimated amount of money (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing wherein the parties each acted knowledgeably, prudently and without compulsion. Also see Clause 8.1 of the VALMIN Code for guidance on Market Value.

Materiality or being **Material** requires that a Public Report contains all the relevant information that investors and their professional advisors would reasonably require, and reasonably expect to find in the report, for the purpose of making a reasoned and balanced judgement regarding the Technical Assessment or Mineral Asset Valuation being reported. Where relevant information is not supplied, an explanation must be provided to justify its exclusion. Also see Clause 3.2 of the VALMIN Code for guidance on what is Material.

Member means a person who has been accepted and entitled to the post-nominals associated with the AIG or the AusIMM or both. Alternatively, it may be a person who is a member of a Recognised Professional Organisation included in a list promulgated from time to time.

Mineable means those parts of the mineralised body, both economic and uneconomic, that are extracted or to be extracted during the normal course of mining.

Mineral Asset means all property including (but not limited to) tangible property, intellectual property, mining and exploration Tenure and other rights held or acquired in connection with the exploration, development of and production from those Tenures. This may include the plant, equipment and infrastructure owned or acquired for the development, extraction and processing of Minerals in connection with that Tenure.

Most Mineral Assets can be classified as:

(a) **Early-stage Exploration Projects** – Tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.

(b) **Advanced Exploration Projects** – Tenure holdings where considerable exploration has been undertaken and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category.

(c) **Pre-Development Projects** – Tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken.

(d) **Development Projects** – Tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a Pre-Feasibility Study.

(e) **Production Projects** – Tenure holdings – particularly mines, wellfields and processing plants – that have been commissioned and are in production.

Mine Design means a framework of mining components and processes taking into account mining methods, access to the Mineralisation, personnel, material handling, ventilation, water, power and other technical requirements spanning commissioning, operation and closure so that mine planning can be undertaken.

Mine Planning includes production planning, scheduling and economic studies within the Mine Design taking into account geological structures and mineralisation, associated infrastructure and constraints, and other relevant aspects that span commissioning, operation and closure.

Mineral means any naturally occurring material found in or on the Earth's crust that is either useful to or has a value placed on it by humankind, or both. This excludes hydrocarbons, which are classified as Petroleum.

Mineralisation means any single mineral or combination of minerals occurring in a mass, or deposit, of economic interest. The term is intended to cover all forms in which mineralisation might occur, whether by class of deposit, mode of occurrence, genesis or composition.

Mineral Project means any exploration, development or production activity, including a royalty or similar interest in these activities, in respect of Minerals.

Mineral Securities means those Securities issued by a body corporate or an unincorporated body whose business includes exploration, development or extraction and processing of Minerals.

Mineral Resource is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

Mining means all activities related to extraction of Minerals by any method (e.g. quarries, open cast, open cut, solution mining, dredging, etc.).

Mining Industry means the business of exploring for, extracting, processing and marketing Minerals.

Modifying Factors is defined in the current version of the *Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves* (the JORC Code). Refer to <https://www.jorc.org/> for further information.

Ore Reserve is defined in the current version of the *Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves* (the JORC Code). Refer to <https://www.jorc.org/> for further information.

Petroleum means any naturally occurring hydrocarbon in a gaseous or liquid state, including coal-based methane, tar sands and oil-shale.

Petroleum Resources and **Petroleum Reserves** are defined in the current version of the Petroleum Resources Management System (PRMS) published by the Society of Petroleum Engineers, the American Association of Petroleum Geologists, the World Petroleum Council and the Society of Petroleum Evaluation Engineers. Refer to [Society of Petroleum Engineers \(SPE\) | Oil & Gas Membership Association](#) for further information.

Practitioner is an Expert as defined in the *Corporations Act*, who prepares a Public Report on a Technical Assessment or Valuation Report for Mineral Assets. This collective term includes Specialists and Securities Experts.

Preliminary Feasibility Study (Pre-Feasibility Study) means a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors that are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.

Professional Organisation means a self-regulating body, such as one of engineers or geoscientists or of both, that:

- (a) admits members primarily on the basis of their academic qualifications and professional experience.
- (b) requires compliance with professional standards of expertise and behaviour according to a Code of Ethics established by the organisation; and
- (c) has enforceable disciplinary powers, including that of suspension or expulsion of a member, should its Code of Ethics be breached.

Public Presentation means the process of presenting a topic or project to a public audience. It may include, but not be limited to, a demonstration, lecture or speech meant to inform, persuade or build goodwill.

Public Report means a report prepared for the purpose of informing investors or potential investors and their advisers when making investment decisions, or to satisfy regulatory requirements. It includes, but is not limited to, Annual Reports, Quarterly Reports, press releases, Information Memoranda, Technical Assessment Reports, Valuation Reports, Independent Expert Reports, website postings and Public Presentations. Also see Clause 5 of the VALMIN Code for guidance on Public Reports.

Quarterly Report means a document published by public corporations on a quarterly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

Reasonableness implies that an assessment which is impartial, rational, realistic and logical in its treatment of the inputs to a Valuation or Technical Assessment has been used, to the extent that another Practitioner with the same information would make a similar Technical Assessment or Valuation.

Royalty or **Royalty Interest** means the amount of benefit accruing to the royalty owner from the royalty share of production.

Securities has the meaning as defined in the *Corporations Act*.

Securities Experts are persons whose profession, reputation or experience provides them with the authority to assess or value Securities in compliance with the requirements of the *Corporations Act*, ASIC Regulatory Guides and ASX Listing Rules.

Scoping Study means an order of magnitude technical and economic study of the potential viability of Mineral Resources. It includes appropriate assessments of realistically assumed Modifying Factors together with any other relevant operational factors that are necessary to demonstrate at the time of reporting that progress to a Pre-Feasibility Study can be reasonably justified.

Specialists are persons whose profession, reputation or relevant industry experience in a technical discipline (such as geology, mine engineering or metallurgy) provides them with the authority to assess or value Mineral Assets.

Status in relation to Tenure means an assessment of the security of title to the Tenure.

Technical Assessment is an evaluation prepared by a Specialist of the technical aspects of a Mineral Asset. Depending on the development status of the Mineral Asset, a Technical Assessment may include the review of geology, mining methods, metallurgical processes and recoveries, provision of infrastructure and environmental aspects.

Technical Assessment Report involves the Technical Assessment of elements that may affect the economic benefit of a Mineral Asset.

Technical Value is an assessment of a Mineral Asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a Practitioner, excluding any premium or discount to account for market considerations.

Tenure is any form of title, right, licence, permit or lease granted by the responsible government in accordance with its mining legislation that confers on the holder certain rights to explore for and/or extract agreed minerals that may be (or is known to be) contained. Tenure can include third-party ownership of the Minerals (for example, a royalty stream). Tenure and Title have the same connotation as Tenement.

Transparency or being **Transparent** requires that the reader of a Public Report is provided with sufficient information, the presentation of which is clear and unambiguous, to understand the report and not be misled by this information or by omission of Material information that is known to the Practitioner.

Valuation is the process of determining the monetary Value of a Mineral Asset at a set Valuation Date.

Valuation Approach means a grouping of valuation methods for which there is a common underlying rationale or basis.

Valuation Date means the reference date on which the monetary amount of a Valuation in real (dollars of the day) terms is current. This date could be different from the dates of finalisation of the Public Report or the cut-off date of available data. The Valuation Date and date of finalisation of the Public Report must not be more than 12 months apart.

Valuation Methods means a subset of Valuation Approaches and may represent variations on a common rationale or basis.

Valuation Report expresses an opinion as to monetary Value of a Mineral Asset but specifically excludes commentary on the value of any related Securities.

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