

REPLACEMENT PROSPECTUS



AKORA

Resources Limited

ACN 139 847 555

For an offer with a minimum subscription of 16,000,000 New Shares to raise \$4,000,000 (before costs) and a maximum subscription of 20,000,000 New Shares to raise \$5,000,000 (before costs) in the Company at an issue price of \$0.25 per New Share, together with 1 free attaching unquoted Option for every 2 New Shares subscribed exercisable within 2 years of issue at a strike price of \$0.30.

This document is important and should be read in its entirety. If you are in any doubt as to the contents of this document, you should consult your sharebroker, solicitor, professional adviser, banker or accountant without delay. The securities offered by this Prospectus are considered to be highly speculative.



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REPLACEMENT PROSPECTUS

Important Information

Offer

This Replacement Prospectus (**Replacement Prospectus or Prospectus**) is issued by AKORA Resources Limited ACN 139 847 555 (**Company**). The Offer contained in this Prospectus is an invitation to investors to subscribe for fully paid ordinary shares (**New Shares**) at \$0.25 per New Share (**Offer Price**) and to receive one free attaching unquoted Option (**Attaching Option**) for every two New Shares subscribed for in the Company (**General Offer**). The terms of the New Shares and the Attaching Options (together, **Offer Securities**) are summarised in Sections 9.3 and 9.4 respectively.

Pursuant to this Prospectus, the Company also invites broker firms to subscribe for New Shares and Attaching Options on the same terms as the General Offer (**Broker Firm Offer**).

Together, the General Offer and the Broker Firm Offer comprise the **Offer**.

Lodgement and listing

This Replacement Prospectus is dated Thursday, 12 November 2020 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date (**Prospectus Date**). This Replacement Prospectus replaces the prospectus dated Wednesday, 21 October 2020 (**Original Prospectus**), a copy of which was lodged with ASIC on that date (**Original Prospectus Date**). For the purposes of this document, the Replacement Prospectus will be referred to as either the 'Replacement Prospectus' or 'Prospectus'.

Neither ASIC, nor the Australian Securities Exchange (**ASX**) nor their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

This Prospectus differs from the Original Prospectus and has been issued to, amongst other things:

- (a) provide updated disclosure regarding the Company's tenements and in the Independent Geologist Report (**IGR**);
- (b) update reliance wording in the Solicitor's Tenement Report;
- (c) update disclosure in respect of the fee payable to the Lead Manager;
- (d) include an updated Independent Limited Assurance Report;
- (e) update accompanying notes to the Use of Funds tables in the 'Investment Overview' and Section 2.5; and
- (f) update the risk section regarding site access (see Section 8).

No Offer Securities will be allotted or issued on the basis of this Prospectus later than the expiry date of the Original Prospectus being the date which is 13 months after the Original Prospectus Date. The Offer Securities allotted or issued pursuant to the Offer will be on the terms and conditions set out in this Prospectus.

The Company applied to ASX within seven days of the Original Prospectus Date for admission to the Official List (**Admission**) and for quotation on the ASX of the New Shares offered under this Prospectus.

Not investment advice

The information contained in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. In making an investment decision, potential investors must rely on their own examination of the Company and the terms of the Offer, including the merits and risks involved.

The contents of this Prospectus are not to be construed as legal, business or tax advice. Before deciding to apply for Offer Securities, potential investors should read the entire Prospectus and in particular, in considering the prospects for the Company, investors should consider the risk factors that could affect the financial performance of the Company. Some of the key risk factors that should be considered by prospective investors are set out in Section 8. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

The Company is at the early stages of its maturity and the risks may therefore be significant. The Offer Securities offered pursuant to this Prospectus should be considered highly speculative. Investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues) and seek professional advice from an accountant, stockbroker, lawyer or other professional adviser before deciding whether to participate in the Offer.

Disclaimer

Except as required by law, and only to the extent required, no person named in this Prospectus, nor any other person, guarantees the performance of the Company, the repayment of capital by the Company, or the payment of a return on the New Shares.

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

Forward looking statements

This Prospectus may contain forward looking statements, which may be identified by words such as “may”, “could”, “believes”, “estimates”, “expects” or “intends” and other similar words that connote risks and uncertainties. Certain statements, beliefs, and opinions contained in this Prospectus, in particular those regarding the possible or assumed future financial or other performance, industry growth or other trend projections are only predictions and subject to inherent risks and uncertainties. No financial forecasts have been prepared.

Except as required by law, and only to the extent so required, neither the Company, its Board nor any other person gives any assurance that the results, performance or achievements expressed or implied by the forward looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on such forward looking statements. Any forward looking statements are subject to various risk factors, many of which are beyond the control of the Company and its Board that could cause the Company’s actual results to differ materially from the results expressed or anticipated in these statements.

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

Forward looking statements should be read in conjunction with risk factors set out in Section 8 and other information in this Prospectus.

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

This Prospectus, including the industry overview in Section 3.7, uses market data and third party estimates and projections. There is no assurance that any of the third party estimates or projections contained in this information will be achieved. The Company has not independently verified this information.

Competent Person statement

This information in this Prospectus relates to a technical assessment of the mineral assets, exploration targets and exploration results and is based on, and fairly represents, information and supporting documentation compiled, or reviewed, by Mr Mark Kenwright, BSc MSc MCSM, FAusIMM CP (Geo) who is an Associate Director with Wardell Armstrong International (**Wardell Armstrong**), an internationally recognised independent minerals industry consultancy. Mr Kenwright is a fellow of the Australasian Institute of Mining and Metallurgy.

Mr Kenwright has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity for which he has undertaken, to qualify as a Practitioner as defined in the 2015 edition of the ‘Australasian Code for the Public Reporting of technical assessments and valuations of mineral assets’ and as a Competent Person as defined in the JORC Code. Mr Kenwright consents to the inclusion of the matters based on his information in the form and context in which it appears in this Prospectus and has not withdrawn his consent before lodgement of this Prospectus with the ASIC.

Exploration Targets

All exploration targets and exploration results set out in this Prospectus have been prepared and reported in accordance with the JORC Code. Any exploration targets in this Prospectus cannot be considered as a Mineral Resource as defined in the JORC Code. Any exploration targets are conceptual in nature and there has been insufficient exploration carried out to estimate a Mineral Resource and it is uncertain if further exploration will result in the exploration targets being delineated as a Mineral Resource.

Overseas restrictions

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

This Prospectus has been prepared for publication in Australia and subject to certain limited exceptions, may not be released or distributed in the United States. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Offer Securities have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (**U.S. Securities Act**), or any state securities laws of any state in the United States, and, unless so registered, may not be offered or sold within the United States, or to, or for the account or benefit of a US Person or U.S. Persons, except pursuant to an exemption from, or in a transaction exempt from or not subject to, the registration requirements of the U.S. Securities Act and applicable United States state securities laws.

The Offer Securities offered hereby have not been approved or disapproved by any securities regulatory authority of any state in the United States or by the U.S. Securities and Exchange Commission (**SEC**), nor has any such authority or commission passed on the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offense under U.S. law.

The Offer is not being extended to any investor outside Australia unless otherwise expressly stated. This Prospectus does not constitute an offer or invitation to potential investors to whom it would not be lawful to make such an offer or invitation. For details of selling and transfer restrictions that apply to the Offer Securities in certain jurisdictions outside of Australia, please see below and Section 2.15.

Electronic Prospectus and Applications

The Company has issued both a printed and an electronic version of this Prospectus and the electronic version (**Electronic Prospectus**) may be accessed on the Company's website, <https://www.akoravy.com/>.

The Offer pursuant to an electronic Prospectus is only available to persons receiving an electronic version of this Prospectus within Australia. It is not available to persons in other jurisdictions. Persons who access the Prospectus in electronic form should ensure that they download and read the entire Prospectus.

Applications for Offer Securities may only be made during the Offer Period on the Application Form attached to or accompanying this Prospectus in its hard copy form, or in its soft copy form which must be downloaded in its entirety from: <https://www.akoravy.com>. The Corporations Act prohibits any person from passing to another person the Application Form unless it is attached to, or accompanies the complete and unaltered version of, this Prospectus.

No cooling-off rights

Cooling-off rights do not apply to an investment in Offer Securities pursuant to the Offer. This means that once an Application Form is submitted, an Applicant cannot decide to withdraw the Application except as permitted by law.

Website

The Company's website and its contents do not form part of this Prospectus and is not to be interpreted as part of, nor incorporated into, this Prospectus, which should form the basis of your investment decision.

Photographs, diagrams and tables

Photographs used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Where there is a photograph, diagram or table attributed to a source, the author of the source has not provided their consent for the photograph, diagram or table to be included in this Prospectus.

Proximate statements

The Letter from the Chairperson and Sections 1 and 3 of this Prospectus may contain references to other parties either nearby or proximate to the Projects and include references to nearby iron mineralisation. It is important to note that such proximate production, discoveries or geological similarities do not in any way guarantee that the Company will have any success or similar successes in delineating JORC resources on the Projects.

Financial amounts

All financial amounts shown in this Prospectus are expressed in Australian dollars, unless otherwise indicated. A reference to \$ is to Australian dollars unless otherwise indicated. Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.

Defined terms

Certain capitalised terms and abbreviations used in this Prospectus have defined meanings which are explained in Section 10. Unless otherwise stated or implied, a reference to time in this Prospectus is to Melbourne, Australia time and references to dates or years are calendar year references.

Privacy

By filling out the Application Form to apply for Offer Securities, you are providing personal information to the Company through Link Market Services Limited ACN 083 214 537 (**Share Registry**), which is contracted by the Company to manage Applications. The Company, and the Share Registry on its behalf, may collect, hold, use and disclose that personal information for the purpose of processing your Application, servicing your needs as a Shareholder, providing facilities and services that you need or request and carrying out appropriate administration.

If you do not provide the information requested in the Application Form, the Company and the Share Registry may not be able to process or accept your Application.

Your personal information may also be used from time to time to inform you about other products and services offered by the Company which it considers may be of interest to you. Your personal information may also be provided to the Company's agents and service providers on the basis that they deal with such information as authorised under the *Privacy Act 1988* (Cth).

The agents and service providers of the Company may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- (a) to the Share Registry for ongoing administration of the register of members;
- (b) to the Lead Manager in order to assess your Application;
- (c) printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- (d) to market research companies for the purpose of analysing the shareholder base and for product development and planning; and
- (e) legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the Offer Securities and for associated actions.

You may request access to your personal information held by (or on behalf of) the Company. You may be required to pay a reasonable charge to the Share Registry in order to access your personal information. You can request access to your personal information by writing to or by telephoning the Share Registry as follows:

Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

Email: registrars@linkmarketservices.com.au

Phone: 1300 554 474 (within Australia) or +61 1300 554 474 during business hours.

If any of your information is not correct or has changed, contact the Share Registry or the Company to update your information. In accordance with the requirements of the Corporations Act, information on the share register will be accessible by members of the public.

Paper copies of Prospectus

The Company will provide paper copies of this Prospectus (including any supplementary or replacement document) and the relevant Application Form to investors upon request and free of charge. Requests for a paper copy form should be directed to the Company Secretary at info@akoravy.com or +61 3 9381 0859.

Offer management

The Offer is managed by Harbury Advisors Pty Ltd ACN 625 265 965 AFS Representative Number 001265413 (**Lead Manager**). The Offer is not underwritten.

Contacts

If you require assistance to complete the Application Form, require additional copies of this Prospectus, or have any questions in relation to the Offer, you should contact the Share Registry on 1300 554 474 (within Australia) or +61 1300 554 474 during business hours.

If you are uncertain as to whether acquiring Offer Securities is a suitable investment for you, you should seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether or not to invest.

Key Offer Information

Important Dates	
Prospectus Date	Thursday, 12 November 2020
Opening Date of Offer	Thursday, 12 November 2020
Closing Date	Thursday, 26 November 2020
Allotment of Offer Securities (completion of the Offer)	Friday, 4 December 2020
Expected date for despatch of holding statements	Tuesday, 8 December 2020
Shares expected to begin trading on the ASX (on a normal settlement basis)	Friday, 11 December 2020

The above dates are indicative only and may vary. The Company reserves the right to amend the indicative timetable, including by closing the Offer early or extending the Closing Date or accepting late Applications, without prior notice, subject to the requirements of the Listing Rules and the Corporations Act. Admission and the commencement of quotation of the Shares are subject to confirmation from the ASX.

Prior to the Original Prospectus Date and as approved by Shareholders at the Company's annual general meeting held on 31 August 2020, the Company completed a consolidation of its issued capital (on a 1 for 11 basis). Unless otherwise indicated, references to Securities in this Prospectus are on a post-consolidation basis.

Key Offer Statistics	Minimum Subscription	Maximum Subscription
Offer Price per New Share	0.25	0.25
Total number of Shares on issue at the Prospectus Date	39,428,988	39,428,988
New Shares to be issued under Offer ¹	16,000,000	20,000,000
Attaching Options to be issued under Offer ²	8,000,000	10,000,000
Total number of Shares on issue at Admission ³	55,428,988	59,428,988
Total number of Options on issue at Admission	8,000,000	10,000,000
Amount to be raised under the Offer (before costs)	\$4,000,000	\$5,000,000
Undiluted market capitalisation ⁴	\$13,857,247	\$14,857,247

Notes:

- Under the agreement with the Lead Manager (as summarised in Section 9.1(a)), for every 8 Shares issued to investors under the Offer whom are introduced by the Lead Manager (**Manager Investors**), 1 Attaching Option will be issued to the Lead Manager (or its nominee). The terms of the Attaching Options are set out in Section 9.4. Further, if at least \$2,000,000 is raised under this Prospectus from Manager Investors, the Lead Manager or nominee will be issued 200,000 Shares.
- Please refer to Section 9.4 for the terms of the Attaching Options.
- This figure excludes any further Shares issued to the Lead Manager as described in note 1 above and assumes that no Shares are issued between the Prospectus Date and Admission.
- Calculated as the total number of New Shares on issue following Admission multiplied by the Offer Price, excluding any further Shares issued to the Lead Manager as described in note 1 above. Please note that the Directors estimate that approximately 1,500,000 Options (with an exercise price of \$0.30 and a term of 2 years) and 200,000 Shares will be issued to the Lead Manager as consideration for capital raising services provided in connection with the Offer (at Minimum Subscription) or the issue of 2,000,000 Options (with an exercise price of \$0.30 and a term of 2 years) and 200,000 Shares to the Lead Manager as consideration for capital raising

services provided in connection with the Offer (at Maximum Subscription). The numbers may vary depending on the amount of subscriptions received from Manager Investors (introduced by Harbury) and those introduced by the Company, which will not be known until the Closing Date. In addition the Company's implementation of its allocation policy may impact on the final numbers. Please refer to page 80 of Section 4 for further details.

Applications for the Offer Securities can only be made by completing and lodging the Application Form attached to or accompanying this Prospectus. Instructions on how to apply for Offer Securities are set out in Section 2.12 and on the back of the Application Form for the General Offer and Section 2.13 and on the back of the Broker Firm Application Form for the Broker Firm Offer.

Letter from the Chairperson

Dear Investor,

On behalf of the Board of Directors, I am pleased to offer you the opportunity to become a shareholder in AKORA Resources Limited (**AKORA** or **Company**). AKORA holds iron mineralisation tenements in Madagascar; our flagship project is the 100% owned Bekisopa¹ – a high grade lump direct ship iron mineralisation prospect in south central Madagascar. The Company also holds additional promising iron mineralisation tenements near the east coast of Madagascar, named Tratramarina (100% owned) and Ambodilafa (90% beneficially owned as to prospective iron ore commodities).

AKORA's highlights from the Independent Geologist Report for Bekisopa show:

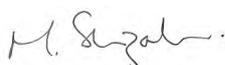
1. Mineralisation interpreted as being a series of parallel layers of massive magnetite-hematite, of structural origin, with host rock containing coarse magnetite between those high-grade layers.
2. Magnetics show extensive anomalies along the 7-kilometre strike extending +500m below surface with widths of 40m to 150m and dipping to the west.
3. Based on these assessments and in conjunction with previous work, potential for high grade iron mineralisation can be seen over a large strike and with considerable depth potential.²
4. Between and adjacent to the massive magnetite-hematite layers is disseminated magnetite-hematite mineralisation in the country rock, which grade ranges around 30 to 50% Fe and estimated potential tonnage of this mineralisation of 500 to 1,000 million tonnes.²

Under this Prospectus the Company is seeking to raise a minimum of A\$4,000,000 (before costs) via the issue of 16,000,000 New Shares and a maximum of \$5,000,000 (before costs) via the issue of 20,000,000 New Shares at an issue price of A\$0.25 per New Share, with one unquoted Attaching Option for every two New Shares subscribed for under the Offer, exercisable at A\$0.30 within two years of issue. Harbury Advisors Pty Ltd is the Lead Manager of the Offer.

Funds raised from the Offer will be used to undertake a focused 4,000m to 5,000m drilling programme with the objective of defining an initial JORC Resource at Bekisopa, further ground magnetic surveys to test mineral extension on tenements to the south west of our main Bekisopa tenements, mineralogy and mineral processing evaluations on the various ore types, corporate and administrative costs and working capital.

This Prospectus contains detailed information about the Company, our projects, and the Offer, as well as the risks of investing in the Company. I ask that prospective investors take the time to read this Prospectus carefully to gain a full appreciation of the quality of the Company's assets. As Chairman, I have had direct involvement with our experienced board and management team for a number of years and I have been fortunate to have visited Tratramarina and oversaw funding for AKORA's projects while a partner of one of the Company's substantial shareholders, Pacific Road Capital. Before you make your investment decision, I urge you to read this Prospectus in its entirety and seek professional advice if required.

Yours sincerely,



Mr Mike Stirzaker
Chairman of AKORA Resources Limited

¹ As at the Prospectus Date, the Company (via its wholly owned subsidiary) holds a 75% legal interest in the Bekisopa Project and the remaining 25% beneficial interest is held on trust for the wholly owned subsidiary of the Company. Accordingly, the Company via its wholly owned subsidiary holds the benefit of 100% of the Bekisopa Project.

² These exploration targets are conceptual in nature as there has been insufficient exploration carried out to estimate a Mineral Resource and it is uncertain if further exploration will result in the exploration targets being delineated as a Mineral Resource.

1. Investment Overview

This Section is not intended to provide all information for investors intending to apply for Offer Securities. This Prospectus should be read and considered in its entirety, including the risk factors set out in Section 8. The Offer Securities offered under this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or future value.

Topic	Summary	Reference
THE COMPANY AND BUSINESS OVERVIEW		
Who is the issuer of this Prospectus?	AKORA Resources Limited ACN 139 847 555 (Company) is a public company incorporated on 6 October 2009 in Victoria, Australia.	Section 3
What is the nature of the Company's business?	Iron ore exploration in Madagascar.	Section 3
What are the key strengths and competitive advantages of the Company?	<p>(a) The Company has acquired three tenement packages with iron mineralisation potential.</p> <p>The Company holds the tenements over land of some 308 km² within the emerging Archean iron mineralisation province of central and eastern Madagascar. The region is widely acknowledged to host extensive iron-bearing rock formations. The Company has consolidated tenements over priority target areas and is aiming to complete further tenement acquisitions in the future.</p> <p>(b) The Projects have favourable locations</p> <p>By comparison to certain other pre-development prospective iron ore projects, the Projects benefit from reasonable proximity to deep-water coastline. Both the Ambodilafa Project and Tratramarina Project are located less than 50km and 16km respectively from the coast.</p> <p>(c) Potential for the development of marketable iron ore products</p> <p>The Directors and the Independent Geologist believe the Bekisopa Project has the potential for DSO lump iron ore, refer to the Executive Summary on page 5 of the IGR at Schedule 1. With the presence of coarse high- grade magnetite within the country rock adjacent to the massive magnetite-hematite layers then with crushing, coarse grinding, some normal sorting and washing could produce an added value product for sale. Furthermore, the primary magnetite could be amenable to relatively simple concentration to produce a high grade, low impurity</p>	Section 3

Topic	Summary	Reference
	product.	
	(d) Experienced management The Board has significant technical, commercial, financial experience within the mining industry as well as working in developing countries.	
	(e) Independent Geologist Report and strategy In 2017 and 2020 the Company commissioned Wardell Armstrong to prepare an independent geologist report on the Projects. The full report dated 10 November 2020, is set out in full at Schedule 1.	
How did the Company obtain the Projects?	75% of the flagship project, Bekisopa, was acquired from Cline Mining in June 2014 with the remaining 25% being beneficially acquired in August 2020 (subject to the lodgement of the transfer documents with the Malagasy authorities the Company will hold legal title to the 25% interest). As at the Prospectus Date, the 25% interest is held on trust for a wholly owned subsidiary of the Company and accordingly, the Company via its wholly owned subsidiary holds the benefit of 100% of the Bekisopa Project. The Tratramarina prospect was acquired in February 2011 and additional tenements in June 2011. 90% of the Ambodilafa Project in respect of Commodities (including prospective iron ore commodities) was acquired following completion of its earn in obligations under the farm in agreement with Jubilee Metals Group plc (Registration Number 4459850) (Jubilee) in September 2014.	Solicitor Tenement Report at Parts 1, 2 and 3. See also Section 9.1 (b)
How does the Company generate revenue?	All of the Company's Projects are in the early stage exploration phase and, as such, none of them generate any revenue for the Company. Since 2009, the Company has raised working capital funds on several occasions through private placements with individual investors and from major resource funds.	Sections 2.4 and 3
Why is the Company seeking to raise funds?	The purpose of this Offer is to raise funds to: (a) conduct some 4,000 to 5,000 metres of drilling at Bekisopa, in at least two campaigns; (b) conduct mineralogy and mineral processing evaluations of the main ore types, and ground magnetic surveys on the other Bekisopa tenements; (c) conduct community exploration initiatives; and (d) for general working capital purposes for a period of 24 months from Completion.	Sections 2.4, 2.5 and 3
What is the Company's financial	Based on the proforma consolidated statement of financial position for the Company as at 30 June 2020 under the Minimum Subscription and under	Sections 1 and 4

Topic	Summary	Reference															
position?	<p>the Maximum Subscription, assuming the Offer is successfully completed, the Company will have:</p> <table border="1"> <thead> <tr> <th>Period Ending 30 June 2020 - Audited</th> <th>Minimum AU\$4m Subscription (AU\$'000)</th> <th>Maximum AU\$5m Subscription (AU\$'000)</th> </tr> </thead> <tbody> <tr> <td>Total Assets</td> <td>8,311</td> <td>9,241</td> </tr> <tr> <td>Total Liabilities</td> <td>268</td> <td>268</td> </tr> <tr> <td>Net Assets</td> <td>8,043</td> <td>8,973</td> </tr> <tr> <td>Total Equity</td> <td>8,043</td> <td>8,973</td> </tr> </tbody> </table> <p>The Company notes that, as an early stage mineral exploration company, it has only made losses to date, and expects to continue making losses for the foreseeable future.</p> <p>Further financial information relating to the Company is set out in the Financial Information at Section 4.</p>	Period Ending 30 June 2020 - Audited	Minimum AU\$4m Subscription (AU\$'000)	Maximum AU\$5m Subscription (AU\$'000)	Total Assets	8,311	9,241	Total Liabilities	268	268	Net Assets	8,043	8,973	Total Equity	8,043	8,973	
Period Ending 30 June 2020 - Audited	Minimum AU\$4m Subscription (AU\$'000)	Maximum AU\$5m Subscription (AU\$'000)															
Total Assets	8,311	9,241															
Total Liabilities	268	268															
Net Assets	8,043	8,973															
Total Equity	8,043	8,973															
What is the industry that the Company operates in?	The mineral exploration industry which the Company participates in as an early stage prospective iron ore exploration company.	Section 3.7															
Will the Company pay dividends?	As an exploration company, the Board does not envisage that the Company will be in a position to declare dividends for the foreseeable future.	Sections 2.10 and 9.3(b)															
RISK FACTORS																	
What are the key investment risks?	<p>The business, assets and operations of the Company are subject to certain risk factors that have the potential to influence operating and financial performance in the future. These risks can impact on the value of an investment in the Offer Securities. The following summary, which is not exhaustive, represents some of the major risk factors of which potential investors need to be aware of. Potential investors should carefully review Section 8 of this Prospectus for a full description of the risks of which the Company is aware, some of which are not described below.</p> <p><u>Covid-19</u></p> <p>Madagascar, being the world's fourth largest island, has had some natural protection to limit the spread of COVID-19 from external sources. Internally, the government promptly put in place curfews and travel restrictions between main cities to minimize the spread of the virus. While difficult for the community and the economy these actions over recent months have been successful with the number of new cases and unfortunate deaths both reducing to the point where on 23 August 2020 the government announced phased easing of the restrictions. During this previous period of government enforced restrictions special permits were able to be approved</p>	Section 8															

Topic	Summary	Reference
	<p>which has enabled mining companies to continue their exploration activities.</p> <p>A future wave of COVID-19 restrictions and curfews impacting work hours and domestic travel would adversely impact the Company and its preferred contractors and its ability to undertake exploration activities at site within the planned timeframe. Similarly, the lockdown restrictions may cause delays to gaining approvals for mining permits and environmental licences from the authorised government agencies.</p> <p><u>Early Stage Exploration Company</u></p> <p>The Company is currently at an early stage of exploration and has yet to commence operations at the Projects. The Company has no income other than cash balances which decline over time as they are utilised on exploration and evaluation programmes. Losses are likely to be incurred in the near future and there can be no assurance that the Company will be profitable in the future.</p> <p>The Company's only assets and potential future sources of income are the Projects. Any adverse development affecting the Projects or the Permits would have a material adverse effect on the Company.</p> <p>Wardell Armstrong is of the opinion that the Projects have demonstrated the presence of iron and the potential exists for Mineral Resources to be developed, however this potential cannot be easily quantified to the level of confidence required for the reporting of a Mineral Resource estimate under the JORC Code because the Company is not yet at a stage to be able to define such Mineral Resource and needs to do more work to be able to do so. For further details, please refer to the Executive Summary on pages 5 and 6 of the IGR at Schedule 1.</p> <p><u>Permits</u></p> <p>A majority of the Company's Permits have completed the first term of the exploration period and the Company is awaiting documentation from the Bureau de Cadastre Minier de Madagascar (BCMM) to commence the second exploration period. Under the Bekisopa permits the Company is entitled to two periods of exploration with each period being for five years. Due to the moratorium caused by the political crisis that affected Madagascar between 2009-2013, the BCMM has only been operating a limited service largely limited to collection of annual fees in respect of mining permits. Since October 2016 the BCMM began accepting and processing applications for renewals of mining permits. Given the considerable general backlog of applications no firm date for issue of any renewed permits is being given by the BCMM.</p>	

Topic	Summary	Reference
	<p>Whilst the Company believes the second exploration period will be issued as it has tendered or paid all relevant annual administration and renewal fees, if for any reason the BCMM does not issue documentation for the second exploration period for the relevant Company would no longer have any exploration rights to such Permits and this would have a material adverse effect on the Group's business, results of operations and financial condition as the Permits which are under renewal are material in the context of the Group's operations as a whole.</p> <p>Further, the Company will be updating its application for relevant environmental permits to allow a substantial drilling campaign to commence at Bekisopa. Whilst this is an administrative process only and the permits are usually issued within approximately 60 days, a delay or refusal by the authorities to issue such permits could have a material adverse effect on the proposed drilling programme.</p> <p>The Company's rights to the 3757 Permit (which forms part of the Bekisopa Project), the Tratramarina West Permits (which together form part of the Tratramarina Project) and the Ambodilafa Permits (which together form the Ambodilafa Project) are contractual, i.e. a counterparty holds the legal title to the relevant Permit and the Company derives its rights to such Permits through a contractual arrangement with the legal owner. If there was ever any dispute as to the relevant contractual terms between the Company and the legal owner, enforcement of title to the relevant Permits may therefore involve having to enforce contractual arrangements through the relevant courts which could be time consuming and incur greater costs than if the relevant Permits were held directly by the Group, however the Group's contractual rights to the 3757 Permit, the Tratramarina West Permits and the Ambodilafa Permits are not material compared to its operations as a whole.</p> <p>The 3757 Permit and the Tratramarina West Permits are in the form of PREs which may only be held by Malagasy nationals but which may be transformed into PRs. The Company has lodged the request which has been recognised by the BCMM and the Company awaits the confirmation of the transformation to PRE's.</p> <p>In the case of the 3757 Permit and the Tratramarina West Permits, the Group holds all beneficial rights and the right to be registered as the legal holder of these Permits. The BCMM has recently commenced the process of addressing the renewal, transformation and transfer of permits that were subject to a moratorium from 2008 to 2014. The Company does not know when the BCMM will</p>	

Topic	Summary	Reference
	<p>complete this process and therefore cannot say when it will be the registered holder of those Permits. Pending registration as the legal owner of such Permits, the Company will continue to be able to exercise its contractual rights and perform exploration and drilling programmes.</p> <p>The Company's rights to the Ambodilafa Permits arise through its farm in agreement with Jubilee.</p>	
	<p><u>Iron Ore Market</u></p> <p>The Group's revenues, profitability and future rate of growth will depend substantially on the prevailing market price of iron ore, which has historically been subject to a high degree of volatility.</p> <p>The eventual viability of the Projects' operations will depend to a large degree on the market price of commodities and on exchange rates. Iron ore prices are subject to significant fluctuation and are affected by a number of factors which are beyond the control of the Group.</p> <p>China is the largest iron ore importer globally by a large margin. As a result, iron ore and steel demand is highly sensitive to infrastructure and property investments in China.</p>	
	<p><u>Investment in developing country risk</u></p> <p>Investors in the Company should be aware that investments in companies operating in developing countries like Madagascar are generally subject to greater risk than investments in companies operating in more developed countries and carry risks that are not typically associated with investing in more mature markets. These risks include, but are not limited to, greater political risk, greater legal risk around asset ownership and court processes, risk of nationalisation of sectors and industries on adverse terms, risk of bribery and corruption, terrorism, budget deficits, lack of adequate infrastructure necessary to sustain economic growth and changes in the political and economic environment.</p> <p>In addition, international investors' reactions to events occurring in one emerging market, country or region sometimes appear to demonstrate a 'contagion' effect, in which an entire region or class of investment is disfavoured by such investors. If such an effect occurs, Madagascar could be adversely affected by negative economic or financial developments in other emerging market countries.</p> <p>Investors should also note Madagascar's economy, like those of other developing countries, is subject to rapid change and that the information set out in the Prospectus may become outdated relatively quickly.</p> <p><u>Exploration and development risk</u></p>	

Topic	Summary	Reference
	<p>The future value of the Company will depend on its ability to find and develop resources that are economically recoverable. Mineral exploration and development is a speculative undertaking that may be impeded by circumstances and factors beyond the control of the Company. Success in this process involves, among other things; discovery and proving-up an economically recoverable resource or reserve, access to adequate capital throughout the project development phases, securing and maintaining title to mineral exploration projects, obtaining required development consents and approvals and accessing the necessary experienced operational staff, the financial management, skilled contractors, consultants and employees.</p> <p>The Company is entirely dependent upon the Projects, which are the sole potential source of future revenue, and any adverse development affecting these projects would have a material adverse effect on the Group, its business, prospects, results of operations and financial condition.</p>	

MATERIAL CONTRACTS

<p>What are the material contracts?</p>	<p>The Company's material contracts comprise:</p> <ul style="list-style-type: none"> (a) the lead manager mandate with the Lead Manager dated 4 November 2020; (b) the Cline Mining settlement agreements in respect of the remaining 25% interest in IOCM dated 25 July 2020 and 5 August 2020; (c) farm-in agreement with Jubilee in relation to the Ambodilafa Permits dated 22 August 2012; (d) Sale and purchase agreement between Universal Exploration Madagascar Sarl as purchaser and Jean Gualbert Randriamanantsoa and Andre Joseph Rakotorisoa as vendors dated 22 June 2011 to acquire two permits (comprising PRE 18379-1 and PRE 18891-1) that form the Tratramarina West Permits; (e) Deed of Equitable Interest between UEM and Rakotoarisoa Joseph André whereby Randriamananjara Santatriniana agreed to hold PREs 18379/18891 on trust for UEM; (f) Sale and Purchase agreement between Razafindravola Marie H�el�ene as vendor and Randriamananjara Santatriniana, an employee of IOCM, as purchaser in respect of PRE 3757 (Bekisopa); (g) Deed of Equitable Interest between IOCM and Randriamananjara Santatriniana whereby Randriamananjara Santatriniana agreed to hold PRE 3757 on trust for IOCM; 	<p>Sections 7.6(a)-7.6(e) and 9.1</p>
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Topic	Summary	Reference
	(h) Drilling contract with Crofts Drilling Services Sarl dated 26 September 2020 to provide drilling services to the Company on the Bekisopa Project;	
	(i) the employment agreement with Managing Director and Chief Executive Officer, Mr Paul Bibby dated 3 September 2020;	
	(j) the employment agreement with Chief Financial Officer, Executive Director and Company Secretary, Mr John Madden dated 27 September 2020; and	
	(k) deeds of indemnity, insurance and access with each of its directors and officers.	

SUMMARY OF THE OFFER

What is being offered?	<p>The Company invites potential investors under the Offer to apply for 16,000,000 New Shares at the Offer Price to raise the Minimum Subscription and up to 20,000,000 New Shares to raise the Maximum Subscription. Investors will also be offered one Attaching Option for every two New Shares subscribed for and issued under the Offer, with each Attaching Option exercisable at \$0.30 and expiring on or before the date that is two years from the issue date.</p> <p>Refer to Sections 9.3 and 9.4 for a summary of the terms of the New Shares and Attaching Options respectively.</p> <p>All New Shares, and resulting Shares issued upon exercise of the Attaching Options, issued pursuant to this Prospectus will be fully paid and will rank equally in all respects with the Shares currently on issue.</p> <p>The Offer is to be conducted in Australia, and to certain institutional and wholesale investors in New Zealand, Canada, Hong Kong, United Kingdom and under Regulation D to investors in the United States. Only Australian residents and the other investors described above are eligible to participate in the Offer. Harbury Advisors Pty Ltd is acting as Lead Manager to the Offer.</p>	Sections 2, 9.1(a), 9.3 and 9.4
How can Applications be made?	An Application for Offer Securities can be made by completing and submitting a valid Application Form, a blank copy of which accompanies and forms part of this Prospectus (including the electronic version of this Prospectus), in accordance with the instructions set out on the Application Form. Applications must be for at least 8,000 New Shares and in multiples of 2,000 New Shares thereafter.	Section 2 Application Form
What is the allocation policy?	The allocation of New Shares will be determined by the Lead Manager and the Company having regard to the allocation policy outlined in Section 2.12	Section 2
Is the Offer	No, the Offer is not underwritten.	Section 2

Topic	Summary	Reference
Will the Shares be quoted?	<p>The Company will apply to the ASX for Admission and for official quotation of the Shares under the ASX ticker code 'AKO'.</p> <p>Completion of the Offer is conditional on the ASX approving the Company's application for Admission. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.</p>	Section 2
How will the proceeds of the Offer be used?	The tables below outline how the Company intends to use the proceeds of the Offer.	Sections 2, 3 and 9

Following the Offer, it is anticipated that the following funds will be available to the Company:

Source of funds	Minimum Subscription (\$)	Maximum Subscription (\$)
Existing cash as at Original Prospectus Date	1,203,000	1,203,000
Proceeds from Offer	4,000,000	5,000,000
Less costs of Offer ¹	496,000	566,000
Total funds available	4,707,000	5,637,000

Notes:

- Costs of offer includes only the cash costs to be paid from 1 October 2020 as all costs incurred up to the 30 September 2020 have been paid out of existing cash balances.

The following table shows the intended use of funds in the two year period following Admission:

Proposed use of funds – Year 1	Minimum Subscription (\$)		Maximum Subscription (%)	
	\$	%	\$	%
Direct exploration and drilling	1,982,000	70.79	2,287,000	73.66
Indirect exploration and drilling costs	279,000	9.96	279,000	8.99
Tenement renewals	120,000	4.276	120,000	3.86
Corporate costs	419,000	14.96	419,000	13.49
Total	2,800,000	100.0	3,105,000	100.0

Proposed use of funds – Year 2	Minimum Subscription (\$)		Maximum Subscription (\$)	
	\$	%	\$	%
Direct exploration and drilling ¹	289,000	15.1	544,000	21.5
Indirect exploration and drilling ²	635,000	33.3	635,000	25.1
Tenement renewals	120,000	6.3	120,000	4.7
Corporate costs	343,000	18.0	343,000	13.5
Working capital ³	520,000	27.3	890,000	35.2
Total	1,907,000	100.0	2,532,000	100.0

Notes

1. Expenditure items directly related to exploration and drilling and include camp, logistics, contractor drilling company costs, sample preparation and assaying (including freight costs to South Africa) and access routes around the tenement.
2. Expenditure incurred in support of direct exploration and drilling and includes country office costs, employee costs from Australia to support the work programmes and travel to/from Australia as well as a consulting geologist costs.
3. Working capital includes the general costs associated with the management and operation of the business including administration expenses and other associated costs. Any costs required for the identification of new projects and opportunistic acquisitions, will be deducted from funds attributed to working capital.

Topic	Summary	Reference
What are the tax implications of investing in the New Shares?	The tax consequences of any investment in the New Shares will depend upon an investor's circumstances. Applicants should obtain their own tax advice prior to investing.	Section 9
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be despatched by standard post on or around Tuesday, 8 December 2020.	Section 2
Can the Offer be withdrawn?	The Company may withdraw the Offer at any time before the issue or transfer of Offer Securities to successful Applicants. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded as soon as practicable without interest.	Section 2
Where can I find more details about this Prospectus and the Offer?	Further information can be obtained by reading this Prospectus in its entirety. For advice on the Offer you should speak to your stockbroker, accountant or other professional adviser. If you require assistance or additional copies of this Prospectus please contact the Share Registry on 1800 647 819 (within Australia) or the Company on +61 1800 647 819 during business hours.	Section 2
Contact Details	Please refer to the Corporate Directory at Section 11.	Section 11
DIRECTORS AND THE SENIOR MANAGEMENT TEAM		
What is the expertise of Directors and Management?	The Board and Management team possess significant experience in ASX-listed iron ore, coal, gold, mineral sands and silver companies, and in the development and operation of iron ore, coal, copper, gold, mineral sands and silver mining assets. Please see Section 7 for further details. Michael Stirzaker, Non-Executive Chairman Qualifications: BCom, CA Paul Bibby, Chief Executive Officer and Managing Director Qualifications: Dip. App Sci (Secondary Metallurgy) B App Sci Metallurgy – Distinction, Australian Graduate School of Management (NSW) – Management Development Course. John Madden, Chief Financial Officer, Company Secretary and Executive Director Qualifications: B Comm FCPA FGIA Stephen Fabian, Non-Executive Director Qualifications: Mining Engineering (B.E. Min) from University of New South Wales, Member of Australian Institute of Mining and Metallurgy, graduate of Securities Institute of Australia from FINSIA and MBA (Essentials) from London School of Economics.	Section 7

	Substantial Shareholder	Shareholding at date of Prospectus	Shareholding at Completion	Shareholding at Completion	
Who are the existing Substantial Shareholders of the Company at Prospectus Date and what will be their interest in the Company at Completion?		Shareholding at Prospectus Date (%)	Shareholding (Minimum Subscription¹)	Shareholding (Maximum Subscription¹)	Section 2
	Evanachan Limited ²	19.60	13.94	13.01	
	Baker Steel Resources Trust ³	12.91	9.19	8.57	
	Pacific Road Capital ⁴	9.66	6.87	6.41	

Notes:

- 1 Assumes that none of the Company's substantial Shareholders participate in the Offer.
- 2 Evanachan Limited directly holds a total of 7,728,788 Shares as at the Prospectus Date.
- 3 Baker Steel Resources Trust indirectly holds a total of 5,091,911 Shares as the beneficiary of HSBC Global Custody Nominees UK Limited at the Prospectus Date.
- 4 Pacific Road Capital holds 467,477 Shares through Pacific Road Capital II Pty Ltd and 3,339,341 Shares through Pacific Road Capital Management GP II.

What significant benefits and interests are payable to Directors and other persons connected with the Company or the Offer?	Director	Annual remuneration (including statutory superannuation entitlements)	Shares/Rights	Section 7.6 (f)
	Mr Paul Bibby	\$275,000	-	
	Mr John Madden	\$164,250	-	
	Mr Stephen Fabian	\$43,800	-	
	Mr Michael Stirzaker	\$76,500	400,000 ¹	

Notes:

1. The issuance of the Performance Rights under the Long Term Incentive Plan will be subject to Shareholder approval at the Company's next general meeting. Please refer to Sections 7.2 and 9.5 for the terms of Mr Michael Stirzaker's appointment as Non-Executive Chair and a summary of the material terms of the Company's Long Term Incentive Plan respectively.

Topic	Summary	Reference															
What significant benefits and interests are payable to Directors and other persons connected with the Company or the Offer?	The Directors' direct and indirect interest in Shares at the Prospectus Date and their expected holdings following Admission are set out in the first table and second table respectively below.	Section 7.6															
	<table border="1"> <thead> <tr> <th>Director</th> <th>Shareholding at Prospectus Date (%)</th> <th>Ownership at Prospectus Date (%)</th> </tr> </thead> <tbody> <tr> <td>Mr Paul Bibby¹</td> <td>1,575,441</td> <td>4.00</td> </tr> <tr> <td>Mr John Madden²</td> <td>1,177,026</td> <td>2.99</td> </tr> <tr> <td>Mr Stephen Fabian³</td> <td>893,636</td> <td>2.27</td> </tr> <tr> <td>Mr Michael Stirzaker</td> <td>-</td> <td>-</td> </tr> </tbody> </table>		Director	Shareholding at Prospectus Date (%)	Ownership at Prospectus Date (%)	Mr Paul Bibby ¹	1,575,441	4.00	Mr John Madden ²	1,177,026	2.99	Mr Stephen Fabian ³	893,636	2.27	Mr Michael Stirzaker	-	-
	Director		Shareholding at Prospectus Date (%)	Ownership at Prospectus Date (%)													
	Mr Paul Bibby ¹		1,575,441	4.00													
	Mr John Madden ²		1,177,026	2.99													
Mr Stephen Fabian ³	893,636	2.27															
Mr Michael Stirzaker	-	-															

Notes:

- Mr Bibby holds 1,389,760 Shares directly and 185,682 Shares indirectly through the P&J Bibby Pension Fund.
- Mr Madden holds 662,344 Shares directly and 514,682 Shares indirectly through JM JW Super Fund.
- Mr Fabian holds 711,818 Shares directly and 181, 818 Shares indirectly through an associated entity, Rock Capital Partners Limited.

Director	Shareholding at Admission (%)	Ownership at Admission (Minimum Subscription) (%)	Ownership at Admission (Maximum Subscription) (%)
Mr Paul Bibby	1,775,441 ¹	3.20	2.99
Mr John Madden	1,177,026	2.12	1.98
Mr Stephen Fabian	893,636	1.61	1.50
Mr Michael Stirzaker	200,000 ¹	0.36	0.34

Notes:

- As at the Prospectus Date, Messrs Paul Bibby and Michael Stirzaker each intend to subscribe for \$50,000 worth of New Shares under the Offer. None of the other Directors intend to subscribe for New Shares under the Offer.

Directors' interests and remuneration are set out in more detail in Section 7.6. Advisers and other service providers are entitled to fees for services as disclosed in Sections 9.1(a) and 9.9.

What escrow arrangements are in place?	<p>Subject to the Company being admitted to the Official List, certain Shares on issue prior to the Offer will be classified by the ASX as restricted securities and will be required to be held in escrow for periods of up to 24 months from listing on the ASX. During this period the holders of the restricted securities will be restricted from dealing with the escrowed Shares.</p> <p>It is estimated that 10,097,423 existing Shares will be subject to compulsory escrow arrangements. Of those 10,097,423 Shares, it is estimated that 8,493,266 Shares will be subject to an escrow period of 24 months commencing from quotation of the Company's Shares on the ASX and 1,604,156 Shares will be subject to an escrow period of 12 months commencing from the date those Shares were issued. On this basis, it is estimated that approximately 18.22% of the Shares on a minimum subscription basis, and 16.99% of Shares on a maximum subscription basis, will be escrowed securities at Admission.</p>	Section 9.8
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Topic	Summary	Reference
	<p>All Shares and Attaching Options that are issued to the Lead Manager will also be escrowed for a period of 24 months commencing from quotation of the Company's Shares on the ASX under the ASX Listing Rules.</p> <p>Further, it is anticipated that the Directors' Shares that are not subject to ASX escrow will be subject to a voluntary escrow period of 24 months commencing from quotation of the Company's Shares on ASX (being an aggregate of 805,890 Shares (comprising 1.45% of the Company's Shares on a minimum subscription basis and 1.36% of the Company's Shares on a maximum subscription basis at Admission).</p> <p>An estimated further 9,787,339 Shares (comprising 17.66% of the Company's issued share capital on a minimum subscription basis and 16.47% of Shares on a maximum subscription basis at Admission) will be subject to voluntary escrow arrangements for 6 months commencing from quotation of the Company's Shares on the ASX.</p> <p>The Company does not anticipate that any New Shares will be subject to escrow arrangements.</p> <p>The Company will announce to the ASX full details (quantity and duration) of the New Shares held in escrow (voluntary and compulsory) prior to the New Shares commencing trading on the ASX.</p>	

2. Details of the Offer

2.1 The Offer

Under the Offer, the Company invites potential investors to apply for a minimum of 16,000,000 New Shares at the Offer Price to raise \$4,000,000 (before costs) (**Minimum Subscription**) and a maximum of 20,000,000 New Shares to raise \$5,000,000 (before costs) (**Maximum Subscription**). Investors will also receive one unquoted free Attaching Option for every two New Shares subscribed for and issued under the Offer, with each Attaching Option exercisable at \$0.30 and expiring on or before the date that is two years from the issue date. Refer to Sections 9.3 and 9.4 respectively for a summary of the terms of the New Shares and Attaching Options.

All New Shares issued pursuant to this Prospectus will, and all resulting Shares issued upon exercise of the Attaching Options will, once issued, be fully paid and will rank equally in all respects with the existing Shares on issue. Further details of the rights attaching to the Shares (including New Shares) are set out in Section 9.3.

2.2 Minimum Subscription

No Offer Securities will be allotted or issued unless the Minimum Subscription is satisfied. The Minimum Subscription for this Offer is 16,000,000 New Shares to raise \$4,000,000 (before costs). If the Minimum Subscription is not achieved within four (4) months after the date of this Prospectus, the Company will not allot any Offer Shares and all Application Monies will be returned without interest or the Company will issue a supplementary prospectus or replacement prospectus and allow Applicants one (1) month to withdraw their Application and have their Application Monies refunded (without interest).

2.3 Important dates

Prospectus Date	Thursday, 12 November 2020
Opening Date of Offer	Thursday, 12 November 2020
Closing Date	Thursday, 26 November 2020
Allotment of New Shares (Completion of Offer)	Friday, 4 December 2020
Expected despatch of Holding Statements	Tuesday, 8 December 2020
New Shares expected to begin trading on the ASX (on a normal settlement basis)	Friday, 11 December 2020

The above dates are indicative only and may vary. The Company reserves the right to amend the indicative timetable, including by closing the Offer early, extending the Closing Date, or accepting late Applications, without prior notice, subject to the requirements of the Listing Rules and the Corporations Act. Admission is subject to confirmation from the ASX.

2.4 Purpose of the Offer

The primary purpose of the Offer is to raise funds for maintaining tenements in good standing, exploration and drilling of the Company's tenements. Specifically, the Company will focus on undertaking a 4,000m to 5,000m drilling programme with the objective of defining an initial JORC Resource at the Bekisopa Project. The Company will also conduct further ground magnetic surveys to test mineral extension on tenements to the south west of the Company's main Bekisopa tenements.

2.5 Use of funds

Following Completion of the Offer, the Company anticipates the following funds will be available to the Company:

Source of funds	Minimum Subscription (\$)	Maximum Subscription (\$)
Existing cash as at Original Prospectus Date	1,203,000	1,203,000
Proceeds from Offer	4,000,000	5,000,000
Less costs of Offer ¹	496,000	566,000
Total funds available	4,707,000	5,637,000

Notes:

1. Costs of offer includes only the cash costs to be paid from 1 October 2020 as all costs incurred up to the 30 September 2020 have been paid out of existing cash balances

The below use of funds will be subject to modification on an ongoing basis, and final spending allocation on various functional areas may vary depending on a number of factors, including the outcome of operational and development activities, regulatory developments and market and general economic conditions. The Board has proposed the following expenditure on a Minimum Subscription and Maximum Subscription basis as follows:

Proposed use of funds – Year 1	Minimum Subscription (\$)		Maximum Subscription (%)	
	\$	%	\$	%
Direct exploration and drilling ¹	1,982,000	70.79	2,287,000	73.66
Indirect exploration and drilling costs ²	279,000	9.96	279,000	8.99
Tenement renewals	120,000	4.276	120,000	3.86
Corporate costs	419,000	14.96	419,000	13.49
Total	2,800,000	100.0	3,105,000	100.0

Proposed use of funds – Year 2	Minimum Subscription (\$)		Maximum Subscription (\$)	
	\$	%	\$	%
Direct exploration and drilling ¹	289,000	15.1	544,000	21.5
Indirect exploration and drilling ²	635,000	33.3	635,000	25.1
Tenement renewals	120,000	6.3	120,000	4.7
Corporate costs	343,000	18.0	343,000	13.5
Working capital ³	520,000	27.3	890,000	35.2
Total	1,907,000	100.0	2,532,000	100.0

Notes:

1. Expenditure items directly related to exploration and drilling and included camp, logistics, contractor drilling company costs, sample preparation and assaying (including freight costs to South Africa) and access routes around the tenement.
2. Expenditure incurred in support of direct exploration and drilling and includes country office costs, employee costs from Australia to support the work programmes and travel to/from Australia as well as a consulting geologist costs.
3. Working capital includes the general costs associated with the management and operation of the business including administration expenses and other associated costs. Any costs required for the identification of new projects and opportunistic acquisitions, will be deducted from funds attributed to working capital.

Based on the above, the Board considers that following completion of the Offer and achieving the Minimum Subscription, the Company will have sufficient working capital to carry out the Company's stated objectives over the next two years from Completion.

2.6 Pro forma historical consolidated balance sheet

The Company's pro forma balance sheet following completion of the Offer, including details of the pro forma adjustments, is set out in Section 4.

2.7 Capital structure

Prior to the Prospectus Date and as approved by Shareholders at the Company's annual general meeting held 31 August 2020, the Company completed a consolidation of its

issued capital (on a 1 for 11 basis). Unless otherwise indicated, references to Securities in this Prospectus are on a post-consolidation basis.

The pro-forma capital structure of the Company at Admission is summarised below:

	Minimum Subscription	Maximum Subscription
Offer Price per New Share	\$0.25	\$0.25
Total number of Shares on issue at Prospectus Date	39,428,988	39,428,988
New Shares to be issued under Offer ¹	16,000,000	20,000,000
Attaching Options to be issued under Offer ²	8,000,000	10,000,000
Total number of Shares on Admission ³	55,428,988	59,428,988
Total number of Options on Admission	8,000,000	10,000,000
Amount to be raised under the Offer	\$4,000,000	\$5,000,000
Undiluted market capitalisation ⁴	\$13,857,247	\$14,857,247

Notes:

- Under the agreement with the Lead Manager (as summarised in Section 9.1(a)), for every 8 shares issued to investors under the Offer whom are introduced by the Lead Manager (**Manager Investors**), 1 Attaching Option will be issued to the Lead Manager (or its nominee). The terms of the Attaching Options are set out in Section 9.4. Further, if at least \$2,000,000 is raised under this Prospectus from Manager Investors, the Lead Manager or nominee will be issued 200,000 Shares.
- Please refer to Section 9.4 for the terms of the Attaching Options.
- This figure excludes any further Shares issued to the Lead Manager as described in note 1 above and assumes that no Shares are issued between the Prospectus Date and Admission.
- Calculated as the total number of New Shares on issue following Admission multiplied by the Offer Price, excluding any further Shares issued to the Lead Manager as described in note 1 above. Please note that the Directors estimate that approximately 1,500,000 Options (with an exercise price of \$0.30 and a term of 2 years) and 200,000 Shares will be issued to the Lead Manager as consideration for capital raising services provided in connection with the Offer (at Minimum Subscription) or the issue of 2,000,000 Options (with an exercise price of \$0.30 and a term of 2 years) and 200,000 Shares to the Lead Manager as consideration for capital raising services provided in connection with the Offer (at Maximum Subscription). The numbers may vary depending on the amount of subscriptions received from Manager Investors (introduced by Harbury) and those introduced by the Company, which will not be known until the Closing Date. In addition, the Company's implementation if its allocation policy may impact on the final numbers. Please refer to page 80 of Section 4 for further details.

2.8 Substantial Shareholders

The details of the substantial Shareholders' holding as at the Prospectus Date are below.

Shareholder	Holding at Prospectus Date (%)	Holding (Minimum Subscription ¹) (%)	Holding (Maximum Subscription ¹) (%)
Evanachan Limited ²	19.60	13.94	13.01
Baker Steel Resources Trust ³	12.91	9.19	8.57
Pacific Road Capital ⁴	9.66	6.87	6.41

Notes:

- Assumes that none of the Company's substantial shareholders participate in the Offer.
- Evanachan Limited directly holds a total of 7,728,788 Shares as at the Prospectus Date.
- Baker Steel Resources Trust indirectly holds a total of 5,091,911 Shares as the beneficiary of HSBC Global Custody Nominees UK Limited at the Prospectus Date.

- 4 Pacific Road Capital holds 467,477 Shares through Pacific Road Capital II Pty Ltd and 3,339,341 Shares through Pacific Road Capital Management GP II.

The Directors do not expect any Shareholder to control the Company on Completion (as defined in Section 50AA of the Corporations Act).

2.9 Escrow arrangements

Subject to the New Shares being quoted on the ASX, some Shares held by Shareholders at the Prospectus Date are likely to be classified as restricted under the Listing Rules and will be required to be held in escrow. Further, the Company has also entered into voluntary escrow deeds with certain Shareholders. Details of the escrowed Shares are set out in Section 9.8.

2.10 Dividends

The Directors do not envisage that the Company will be in a position to declare dividends for the immediately foreseeable future.

2.11 Key terms and conditions of the Offer

The key terms and conditions of the Offer for Offer Securities are summarised in the table below.

Topic	Summary
What is the type of security being offered?	Fully paid ordinary shares at \$0.25 in the capital of the Company and unquoted free attaching Options issued on a one for two basis with each Option exercisable at \$0.30 and expiring on or before the date that is two years from the issue date and otherwise on the terms set out in Section 9.4.
What are the rights and liabilities attached to the New Shares being offered?	A description of the New Shares, including the rights and liabilities attaching to them, is set out in Section 9.3.
What are the terms of the Attaching Options?	A description of the Attaching Options, including their terms, is set out in Section 9.4.
What is the consideration payable for each New Share being offered?	The Offer Price is \$0.25 per New Share.
What is the Offer Period?	<p>The key dates, including details of the Offer Period, are set out in the Key Offer Information and Section 2.3.</p> <p>The timetable is indicative only and may change. The Company in consultation with the Lead Manager, reserves the right to vary both of the times and dates without notice (including, subject to the Listing Rules and the Corporations Act, to close the Offer early, to extend the Closing Date, to accept late Applications or bids, either generally or in particular cases, or to cancel or withdraw the Offer before issue of the New Shares, in each case without notifying any recipient of this Prospectus or any Applicants).</p>

Topic	Summary
	<p>If the Offer is cancelled or withdrawn before the allocation of New Shares, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offer opens.</p> <p>No Shares will be issued on the basis of this Prospectus later than 13 months after the Prospectus Date.</p>
How to apply?	<p>You should carefully read this Prospectus and instructions on the Application Form accompanying it before applying for Offer Securities. If you wish to participate in the Offer, you should complete the Application Form in accordance with Sections 2.12 and 2.13.</p>
What are the cash proceeds to be raised?	<p>\$4,000,000 (before costs) will be raised at the Offer Price for the Minimum Subscription and up to \$5,000,000 (before costs) will be raised at the Offer Price for the Maximum Subscription.</p>
Is the Offer underwritten?	<p>No, the Offer is not underwritten.</p>
Who is the Lead Manager?	<p>Harbury Advisors Pty Ltd is Lead Manager to the Company in relation to the Offer. Please refer to Sections 9.1(a) and 9.9 for details of the fees received by the Lead Manager.</p>
What is the minimum and maximum Application size under the Offer?	<p>The minimum Application under the Offer is 8,000 New Shares and in multiples of 2,000 New Shares thereafter.</p> <p>The Lead Manager, in consultation with the Company, reserves the right to reject any Application or to allocate a lesser number of New Shares than that applied for.</p> <p>There is no maximum number or value of New Shares that may be applied for under the Offer (subject to the Minimum Subscription).</p>
What is the allocation policy?	<p>The allocation of New Shares for the Offer will be determined by the Lead Manager and the Company having regard to the allocation policy outlined in Sections 2.12 and 2.13.</p>
Will the New Shares be quoted?	<p>The Company will apply to the ASX for Admission and quotation of its New Shares on the ASX under the ASX ticker code 'AKO'.</p> <p>Completion of the Offer is conditional on the ASX approving the Company's application for Admission. If approval is not given within three months after the Company's application is made (or any longer period permitted by law), the Offer</p>

Topic	Summary
	will be withdrawn and all Application Monies received will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.
Will the Attaching Options be quoted?	No, the Attaching Options will not be quoted on the ASX at the time of Admission. Only the resulting Shares issued upon exercise of the Attaching Options will be quoted on the ASX.
When are the New Shares expected to commence trading?	Details are provided in Section 2.3.
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be despatched by standard post on or around Tuesday, 8 December 2020.
Are there any escrow arrangements?	Yes. Details are provided in Section 9.8.
Are there brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on acquisition of New Shares under the Offer. See Sections 9.1(a) and 9.9 for details of the fees payable by the Company to the Lead Manager.
Are there any tax considerations?	Yes. It is recommended that all potential investors consult their own independent tax advisers regarding the tax (including capital gains tax), stamp duty and GST consequences of acquiring, owning and disposing of New Shares, having regard to their specific circumstances.
What should you do with any enquiries?	<p>All enquiries in relation to this Prospectus should be directed to the Share Registry on Link Market Services 1800 647 819 (within Australia) or the Company on +61 1800 647 819 during business hours.</p> <p>If you require assistance to complete the Application Form, have any questions in relation to the Offer or you are uncertain as to whether obtaining Shares in the Company is a suitable investment for you, you should seek professional advice from your stockbroker, solicitor, accountant, taxation adviser, financial adviser or other independent professional adviser before deciding whether to invest.</p>

2.12 General Offer component of Offer

(a) Who may apply and how to apply

An Application for Offer Securities under the General Offer component of the Offer is open to Applicants resident in Australia and certain sophisticated, professional and institutional investors as described in this Prospectus from the United Kingdom, Hong Kong (only to “professional investors” as defined in Securities and Futures Ordinance (Cap. 571 of The Laws of Hong Kong)), the United States of America (under Regulation D), New Zealand and Canada and can only be made by completing and lodging the Application Form accompanying this Prospectus (or a printed copy of the Application Form attached to the electronic version of the Prospectus).

Applicants may apply for a minimum parcel of 8,000 New Shares representing a minimum investment of \$2,000. The Company reserves the right in its absolute discretion not to issue any Offer Securities to Applicants under the General Offer and may reject Applications or allocate a lesser number of Offer Securities than those applied for. Where the number of Offer Securities allotted is fewer than the number applied for, surplus Application Monies will be refunded to the Applicant (without interest) as soon practicable.

All Applications under the General Offer must be completed in accordance with the detailed instructions on the Application Form or online at <http://www.akoravy.com.au/>. Completed Application Forms and accompanying cheques should be received by the Closing Date at the Share Registry at the following address:

AKORA Resources Limited
C/- Link Market Services
Locked Bag A14
Sydney South NSW 1235

Applications must be accompanied by a cheque in Australian dollars, drawn on an Australian branch of a financial institution, payable to “AKORA Resources Limited” and crossed “Not Negotiable”.

If you wish to apply for Offer Securities under the General Offer and pay through BPAY® please follow the instructions set out in Section 2.19.

(b) Acceptance and allocation policy under the General Offer

An Application to subscribe under the General Offer is an offer by the Applicant to the Company to apply for the amount of Offer Securities specified in the Application Form, at the Offer Price and on the terms and conditions set out in this Prospectus (including any supplementary or replacement Prospectus) and the Application Form. To the extent permitted by law, an Application by an Applicant under the General Offer is irrevocable.

An Application may be accepted in respect of the full amount, or any amount lower than that specified in the Application Form, without further notice to the Applicant. There is no assurance that any Applicant will be allocated any Offer Securities, or the number of Offer Securities, for which it has applied. Acceptance of an Application will give rise to a binding contract on allocation of New Shares to successful Applicants.

The Board will allocate Offer Securities under the Offer at their sole discretion with a view to ensuring an appropriate Shareholder base for the Company going

forward. Subject to this, in the event that the Offer is oversubscribed, the Company intends to scale back Applications on a pro rata basis.

The Company reserves the right to reject any Application which is not correctly completed or which is submitted by a person who they believe is ineligible to participate in the General Offer, or to waive or correct any errors made by an Applicant in completing their Application.

(c) **Application Monies**

All Application Monies received by the Company under the General Offer will be held by the Company in a special purpose trust account until the Offer Securities are issued to successful Applicants.

2.13 Broker Firm Offer component of Offer

(a) Who may apply

The Broker Firm Offer is open to retail clients of Brokers who received a firm allocation of Offer Securities from their Broker and who have a registered address in Australia and are not located in the United States. You should contact your Broker to determine whether you can receive an allocation of Offer Securities under the Broker Firm Offer.

(b) How to apply

If you have received an allocation of Offer Securities from your Broker and wish to apply for those Offer Securities under the Broker Firm Offer, you should contact your Broker for information about how to submit your Broker Firm Application Form and for payment instructions. Applicants under the Broker Firm Offer must not send their Broker Firm Application Forms or payment to the Share Registry.

Broker clients should complete and lodge their Broker Firm Application Form with the Broker from whom they received their invitation to acquire Offer Securities under this Prospectus. Broker Firm Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions detailed on the reverse of the Broker Firm Application Form.

By making an Application, you declare that you were given access to the Prospectus, together with a Broker Firm Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

The Company, the Lead Manager and the Share Registry take no responsibility for any acts or omissions committed by your Broker in connection with your Application. The Broker Firm Offer opens at 9.00am (AEDT) on the Opening Date and is expected to close at 5.00pm (AEDT) on the Closing Date.

The Company and the Lead Manager may elect to close the Offer or any part of it early, extend the Offer or any part of it, or accept late Applications either generally or in particular cases. The Offer or any part of it may be closed at any earlier time and date, without further notice. Your Broker may also impose an earlier closing date. Applicants are therefore encouraged to submit their Applications as early as possible. Please contact your Broker for instructions.

(c) How to pay

Applicants under the Broker Firm Offer must pay their Application Monies to their Broker in accordance with instructions provided by that Broker.

(d) Allocation policy under the Broker Firm Offer

The allocation of Offer Securities to Brokers will be determined by the Lead Manager in consultation with the Company. Offer Securities that are allocated to Brokers for allocation to their clients will be issued or transferred to the Applicants nominated by those Brokers (subject to the right of the Company and the Lead Manager to reject, aggregate or scale back Applications). It will be a matter for each Broker as to how they allocate Offer Securities among their retail clients, and they (and not the Company or the Lead Manager) will be responsible for ensuring that retail clients who have received an allocation from them receive the relevant Offer Securities.

(e) Acceptance of Applications under the Broker Firm Offer

An Application in the Broker Firm Offer is an offer by you to the Company to apply for Offer Securities at the Offer Price, on the terms and conditions detailed in this Prospectus (including any supplementary or replacement document) and the Broker Firm Application Form. To the extent permitted by law, an Application by an Applicant may not be varied and is irrevocable. An Application may be accepted by the Company in respect of the full amount, or any amount lower than that specified on the Broker Firm Application Form without further notice to the Applicant. The Company reserves the right to decline any Application if it believes any provisions or procedures in this Prospectus, the Broker Firm Application Form or other laws or regulations may not be complied with in relation to the Application.

2.14 Discretion regarding the Offer

The Company may withdraw the Offer at any time before the issue or transfer of Offer Securities to successful Applicants. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest) as soon as practicable.

The Company, in consultation with the Lead Manager, also reserves the right to close the Offer early, extend the Offer, accept late Applications either generally or in particular cases, reject any Application, or allocate to any Applicant fewer New Shares than applied for.

2.15 Restrictions on distribution

This Prospectus does not constitute an offer or invitation to subscribe for Offer Securities in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation or issue under this Prospectus.

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

(a) United States

The Offer Securities have not been, and will not be, registered under the U.S. Securities Act or any state securities laws in the United States. The Offer Securities may only be offered or sold (i) within the United States to U.S. Persons who are “accredited investors” as defined in Rule 501(a) of Regulation D of the U.S. Securities Act (**Regulation D**), or (ii) outside the United States in offshore transactions in accordance with Regulation S under the U.S. Securities Act

(Regulation S). Prospective investors are hereby notified that the sellers of the Offer Securities may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Regulation D or other exemptions from the registration requirement under the U.S. Securities Act.

In addition, until the expiration of 40 days after the commencement of the Offer, an offer or sale of the Offer Securities within the United States by a dealer (whether or not participating in the Offer) may violate the registration requirements of the U.S. Securities Act, if such offer or sale is made otherwise than in accordance with an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

Each Applicant will be taken to have represented, warranted and agreed as follows:

- (i) you understand that the Offer Securities have not been, and will not be, registered under the U.S. Securities Act or the securities law of any state of the United States and, unless so registered, may not be offered, sold or resold in the United States, or to or for the account or benefit of U.S. Persons, except pursuant to an exemption from, or a transaction not subject to, the registration requirements under the U.S. Securities Act and any applicable state securities laws;
- (ii) (if subscribing for the Offer Securities within the United States pursuant to Regulation D), you are an "accredited investor" as defined in Rule 501(a) of Regulation D and will execute and deliver an accredited investor letter to the Company confirming your status;
- (iii) (if subscribing for the Offer Securities outside the United States pursuant to Regulation S), at the time the Offer Securities are offered or subscribed for pursuant to Regulation S, you and the person, if any, for whose account you are subscribing for such Offer Securities are located outside the United States (within the meaning of Regulation S) and are purchasing the Offer Securities in an offshore transaction in accordance with Regulation S; and
- (iv) you have not and will not send the Prospectus or any other material relating to the Offer to any person in the United States or to any person that is, or is acting for the account or benefit of, a U.S. Person; and you will not offer or sell the Offer Securities in the United States or to, or for the account or benefit of, any U.S. Person or in any other jurisdiction outside Australia, except in compliance with all applicable laws in the jurisdiction in which the Offer Securities are offered or sold.

(b) Hong Kong

No Offer Securities have been or will be offered or sold in Hong Kong, by means of any document other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571 of The Laws of Hong Kong) and any rules made under that Ordinance, or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of The Laws of Hong Kong) or which do not constitute an offer or invitation to the public within the meaning of that Ordinance.

No advertisement, invitation or document relating to the Offer Securities has been issued or has been in the possession of any person for the purposes of issue, nor will any such advertisement, invitation or document be issued or be in the possession of any person for the purpose of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed

or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Offer Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571 of The Laws of Hong Kong) and any rules made under that Ordinance.

(c) United Kingdom

Neither the information in this Prospectus nor any other document relating to the Offer has been approved by an authorised person (within the meaning of the *Financial Services and Markets Act 2000* (United Kingdom), as amended (**FSMA**)) or delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (for the purposes of section 85 of FSMA) has been published or is intended to be published in respect of the Offer Securities.

This Prospectus is issued on a confidential basis to "qualified investors" (within the meaning of Article 2(e) of Regulation (EU) 2017/1129 of the European Parliament and of the Council section) in the United Kingdom, and the Offer Securities may not be offered or sold in the United Kingdom by means of this Prospectus, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of FSMA. This Prospectus should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom. Any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received in connection with the issue or sale of the Offer Securities has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of FSMA does not apply to the Company. In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 48 (certified high net worth individuals) or Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this Prospectus relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus or any of its contents. Reliance on this promotion for the purposes of engaging in any investment activity may expose an individual to a significant risk of losing all of the property or other assets involved.

(d) New Zealand

The Offer is not intended to constitute a regulated offer of financial products in New Zealand. New Zealand investors may only participate in the Offer if they meet the 'wholesale investor' criteria in clauses 3(2) or 3(3)(a) of Schedule 1 to the Financial Markets Conduct Act 2013 (NZ) (**FMCA**). Accordingly, New Zealand investors will be required to complete a wholesale investor certificate or an eligible investor certificate to the Company's satisfaction before being accepted to participate in the Offer. If you (or any person for whom you are acquiring the Offer Securities are in New Zealand, you (and any such person):

- (i) are a person who (i) is an "investment business" within the meaning of clause 37 of Schedule 1 of the FMCA, (ii) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMCA, (iii) are large within the meaning of clause 39 of Schedule 1 of the FMCA, (iv) are a government agency within the meaning of clause 40 of Schedule 1 of the

FMCA or (v) are an eligible investor within the meaning of clause 41 of Schedule 1 of the FMCA (and, if an eligible investor, have provided the necessary certification); and

- (ii) warrant that you (or any person for whom You are acquiring or procuring the Securities) have delivered, where applicable, in respect of a person referred to in paragraph (a) above, a safe harbour certificate in accordance with clause 44 of Schedule 1 of the FMCA.

This Prospectus is not a product disclosure statement for the purposes of the FMCA, and no New Zealand product disclosure statement, register entry, offering memorandum or other form of disclosure document has been prepared in connection with the Offer. This Prospectus does not include any of the prescribed information that would be contained in a product disclosure statement in connection with a registered offer of financial products in New Zealand. If you (or any person for whom you are acquiring or procuring the Securities) are in New Zealand, you (and any such person) acknowledge that:

- (i) Part 3 of the FMCA shall not apply in respect of the Offer Securities to you;
- (ii) no product disclosure statement, register entry or other disclosure document under the FMCA may be prepared in respect of the Offer; and;
- (iii) any information provided to You in respect of the Offer is not required to, and may not, contain all of the information that a product disclosure statement, register entry or other disclosure document under New Zealand law is required to contain.

If, in the future, you (or any person on whose behalf you are acquiring any Offer Securities) elect to sell any Offer Securities, you (or such person) will not do so in any manner which:

- (i) will, or is likely to, result in the Offer, or such sale, being viewed as an offer to which Part 3 of the FMCA is applicable;
- (ii) is inconsistent with New Zealand securities laws; or
- (iii) may result in the Company or the Lead Manager incurring any liability whatsoever.

New Zealand investors should seek their own legal, financial and tax advice before participating in the Offer or subscribing for any Offer Securities.

(e) Canada

No securities commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereunder nor has it reviewed this Prospectus and any representation to the contrary is an offence. This Prospectus is not, and under no circumstance is it to be construed as a prospectus or advertisement or a public offering of these securities in Canada. The securities offered hereunder have not been and will not be qualified for distribution to the public under the securities laws of any province or territory of Canada. Except pursuant to applicable private placement exemptions for accredited investors, these securities are not being offered or sold and may not be offered or sold, directly or indirectly, into Canada or to, or for the account of, any person resident in Canada. Resale of these securities will be subject to restrictions under applicable securities laws which vary depending on the relevant jurisdictions. These securities do not trade on any exchange or market in Canada. The Company is not a SEDAR filer nor a reporting issuer under applicable Canadian securities legislation and

therefore is not required to file continuous disclosure documents, reports and other information with the securities commission or similar regulatory authority in any province of Canada. This Prospectus is submitted on a confidential basis solely in connection with the consideration of the purchase of these securities in a private placement and its use for any purpose other than to evaluate an investment in the securities described herein is prohibited. Each prospective investor that receives this Prospectus in Canada shall not transmit, reproduce or make available to anyone this Prospectus or any information contained herein and if requested by the Company, will return or destroy all copies of this Prospectus.

2.16 ASX listing

Within seven days after the Original Prospectus Date, an application was made by the Company to the ASX for Admission. If the Company is admitted to the Official List, its ASX ticker code is expected to be 'AKO'.

If permission is not granted by the ASX for the official quotation of the New Shares within three months after the Original Prospectus Date (or any later date permitted by law), the Company will not allot or issue any New Shares, and will repay all Application Monies (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.

The ASX takes no responsibility for the contents of this Prospectus. The fact that the ASX may grant the Company Admission should not be taken in any way as an indication of the merits of the Company or the Offer.

The Company will be required to comply with the Listing Rules, subject to certain conditions (including any waivers obtained by the Company from time to time).

2.17 CHES and issued sponsor holdings

The Company will apply to participate in the ASX's Clearing House Electronic Sub-register System (**CHES**) and will comply with the Listing Rules and the ASX Settlement Rules. CHES is an electronic transfer and settlement system for transactions in securities quoted on the ASX under which transfers are affected in an electronic form.

When the New Shares become approved financial products (defined in the ASX Settlement Rules), holdings will be registered in one of two sub-registers, an electronic CHES sub-register or an issuer sponsored sub-register. For all successful Applicants, the Shares of a Shareholder who is a participant in CHES or a Shareholder sponsored by a participant in CHES will be registered on the CHES sub-register. All other Shares will be registered on the issuer-sponsored sub-register.

Following completion of the Offer, Shareholders will be sent a holding statement that sets out the number of New Shares that have been allocated to them. This statement will also provide details of a Shareholder's Holder Identification Number (HIN) for CHES holders or, where applicable, the Security holder Reference Number (SRN) of issuer sponsored holders. Shareholders will subsequently receive statements showing any changes to their Shareholding. Certificates will not be issued.

Shareholders will receive subsequent statements at the end of each month or if there has been a change to their holding on the register and as otherwise required under the Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring broker in the case of a holding on the CHES sub-register or through the Share Registry in the case of a holding on the issuer sponsored sub-register. The Share Registry may charge a fee for these additional statements.

2.18 Deferred settlement trading and selling shares on market

It is the responsibility of each person who trades in Shares to confirm their holding before trading in Shares. If Shares are sold before receiving a holding statement, successful Applicants do so at their own risk. The Company, Share Registry, and Lead Manager disclaim all liability, whether in negligence or otherwise, if a Shareholder sells Shares before receiving a holding statement, even if the Shareholder obtained details of their holding through the Lead Manager or their broker.

2.19 Offer payment through bpay®

Investors can apply online at <http://www.akoravy.com.au/> by following the instructions at 2.12 and completing a BPAY® payment. Investors will be given a BPAY® biller code and a customer reference number unique to the online Application once the online Application Form has been completed.

BPAY® payments must be made from an Australian dollar account of an Australian institution. Using the BPAY® details, Investors must:

- (a) access their participating BPAY® Australian financial institution either via telephone or internet banking;
- (b) select to use BPAY® and follow the prompts; enter the biller code and unique customer reference number that corresponds to the online Application;
- (c) enter the amount to be paid which corresponds to the value of New Shares under the online Application;
- (d) select which account payment is to be made from;
- (e) schedule the payment to occur on the same day that the online Application Form is completed. Applications without payment will not be accepted; and
- (f) record and retain the BPAY® receipt number and date paid.

Investors should confirm with their Australian financial institution:

- (a) whether there are any limits on the investor's account that may limit the amount of any BPAY® payment; and
- (b) the cut off time for the BPAY® payment.

If such payment is not made via BPAY®, the Application will be incomplete and will not be accepted. The online Application Form and BPAY® payment must be completed and received by no later than the Closing Date.

3. Company Overview

3.1 Introduction

The Company is a public company limited by shares, incorporated in Australia and registered in Victoria under the provisions of the Corporations Act on 6 October 2009, with the name AKORA Resources Limited and ACN 139 847 555. The Company is domiciled in Australia. The Company was previously known as 'Indian Pacific Resources Limited'.

Since the Company's incorporation, it has focused on the exploration of mineral projects in Madagascar.

As at the date of this Prospectus, the Company has interests in 12 exploration licenses which comprise three principal mineral assets in Madagascar, all of which have demonstrated positive signs of iron mineralisation:

- (a) the Bekisopa Project;
- (b) the Tratramarina Project; and
- (c) the Ambodilafa Project,

(together, **Projects**).

Please refer Map 1 for the Project locations.



Map 1. Location of the AKORA Resources projects in Madagascar. Source: Ezilon.com

The Bekisopa Project is considered by the Board to be of primary importance based on historic non-compliant resource estimates and the potential for direct shipping ore (DSO) lump iron ore. Whilst the Bekisopa Project is in a fairly secluded location the Board believes it has some attractive economic features, for example; with the ridge forming the

ore body, the initial strip ratio is likely to be favourable and the ore could be crushed on site and direct shipped. There appear to be no obvious environmental and cultural concerns.

The Board, Wardell Armstrong and the assigned Competent Person believe that the Projects have demonstrated the presence of iron mineralisation and the potential exists for a Mineral Resource to be developed. For further details, please refer to pages 5 and 6 of the IGR.

Following Admission, the Company will update its geological knowledge, conduct staged drilling programmes at Bekisopa, perform a ground magnetic surveys at the yet unexplored Bekisopa tenements and then at Tratramarina. With the benefit of this information, in particular from the drilling campaigns at the Bekisopa Project the Company's objective is to define a maiden JORC Code resource with an exploration target of approximately 50-100Mt iron mineralisation to a depth of 100m. This target is conceptual in nature as there has been insufficient exploration carried out to estimate a Mineral Resource and it is uncertain if further exploration will result in the exploration targets being delineated as a Mineral Resource.

As information from the work programme evolves the Company will update Shareholders and the market.

Depending on the results of the initial drilling programme at Bekisopa at the end of 2020 the net proceeds from the Offer will be used to fund additional drilling programmes at Bekisopa in 2021. Subject to the progress of, and encouraging results arising from, the drilling programme, it is the Board's objective that the Company will be in a position to announce a resource at the Bekisopa Project approximately 15 months after Admission.

As the knowledge and resource base of the Company increases, particularly at the Bekisopa Project with its high grade DSO potential, the Board will evaluate options to realise the best value for Shareholders through joint venture development paths or, closer to the development stage, seek potential complementary acquisitions or asset sales.

Further details of the Projects and the Company's strategy for their development are set out later in this Section 3.

3.2 Historical

Date	Event
October 2009	The Company is incorporated in Australia and registered in Victoria under the provisions of the Corporations Act as a public company limited by shares.
February 2011	Acquisition of 100 percent of Malagasy Holdings (Tratramarina) Pty Ltd from NGM Resources Limited. Through Malagasy Holdings (Tratramarina) Pty Ltd and its controlled entity Universal Exploration Madagascar sarl (UEM) the Company holds the Tratramarina Permits.
August 2012	The Company entered into a farm-in agreement with Jubilee to enable the Company to explore for commodities under the Ambodilafa Permits.
June 2014	Malagasy Holdings (Bekisopa) Pty Ltd, a wholly owned subsidiary of the Company, acquired 75% of IOCM, the holder of the Bekisopa Permits from Cline Mining.

Date	Event
July and August 2020	The Company completed negotiations for the acquisition of the remaining 25% of the Bekisopa tenements held by Cline Mining. As at the Prospectus Date, the 25% interest is held on trust for Malagasy Holdings, accordingly, the Company via Malagasy Holdings holds the benefit of 100% of the Bekisopa Project. Subject to the lodgement of share transfer documents with the Malagasy authorities the Company, via Malagasy Holdings will hold legal title to the 25% interest in addition to its existing 75% interest.

3.3 The Projects

An independent summary of regional and local geology, mining history and exploration history pertaining to the Projects is contained in the Independent Geologist Report (**IGR**) by Wardell Armstrong International set out in full at Schedule 1. Prospective investors should carefully review the IGR.

A summary of the tenement status and approvals pathway can be found in the Solicitor's Tenement Report summarised at Section 1 and set out in Schedule 2.

(a) Bekisopa Project

The Bekisopa Project is located in the Republic of Madagascar, approximately 350km southwest of Antananarivo and is considered by the Board to be the most important of the Group's mineral assets.

The Board believes the Bekisopa Project has the following key strengths:

- (i) From the available evidence, it is known that there is iron mineralisation present along at least 5km of the north-south strike of the low ridge on exploration permit 10430.
- (ii) The Bekisopa Project is in a fairly secluded location but it does have some attractive economic features, for example; with the ridge forming the ore mineralisation the mining strip ratio is likely to be favourable and the ore could be crushed and screened on site and direct shipped as lump product.
- (iii) There appear to be no obvious environmental and cultural concerns.
- (iv) The Bekisopa Project should be viewed as an exploration target of merit as, at this stage, the existence of potentially economic massive iron mineralisation at depth has yet to be shown. However, the figure of 50 to 100Mt of mineralisation to a depth of 100m makes it an exploration target that merits further work.
- (v) Geological features suggesting an early structural origin to the massive magnetite-hematite layers.
- (vi) Mineralisation interpreted as being a series of parallel layers of massive magnetite-hematite, with host rock containing coarse magnetite between those high-grade layers.
- (vii) Magnetics show extensive anomalies along the 7-kilometre strike extending 500m below surface with widths of the overall mineralisation system of 40 to 150 meters and dipping to the west.

- (viii) Based on these assessments an exploration target range between 50 to 100Mt @ ~60 to 65% Fe can be seen to a depth of 100m. There is potential for increased tonnes at depth. This exploration target is conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.
- (ix) Between and adjacent to the massive magnetite-hematite layers is disseminated magnetite-hematite mineralisation in the country rock. Discrete ~0.5-2mm high grade magnetite particles distributed through the country rock which grades around 30 to 60% Fe. There is an estimated potential tonnage of high grade and this disseminated mineralisation of 500 to 1000 million tonnes. The Company notes that potential quantity and grade is conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.
- (x) Further mineral resource expansion potential through exploration at the main Bekisopa tenements PR10430 and PRE3757 and then at the other two larger yet unexplored tenements.
- (xi) During Wardell Armstrong's site visit at the Bekisopa Project in 2017 some high-grade magnetite iron mineralisation that has the potential to be DSO was examined. While the grade is to be confirmed the sampling programme carried out in July 2014 by the Company of 118 samples taken along the strike of the ridge did confirm the high grade of the surficial iron mineralisation with an average reported grade of 66.7% Fe with low impurities of 1.5% SiO₂, 1.0% Al₂O₃, 0.075% P and 0.06% S.

For a summary of the work completed to date on, and key findings for, the Bekisopa Project, please refer to the Independent Geologist Report set out in full at Schedule 1.

(b) **Tratramarina Project**

The Tratramarina Project is an iron mineralisation deposit located in the Republic of Madagascar, approximately 16km southeast of the capital Antananarivo. Based on the Company's work to date, the Board believes the Tratramarina Project has the following key strengths:

- (i) The Tratramarina Project has little exploration "history" because the presence of iron mineralisation was unknown to the "outside world" before the World Bank-funded airborne geophysical survey carried out by Fugro from 2004 to 2006.
- (ii) The mineralisation at the Tratramarina Project is a magnetite banded iron formation grading around 35 to 40% Fe as shown by various rock chip sampling programmes performed between 2009 and 2011. In some of the seven drill holes totalling 1,360m in 2011/2012 there is evidence of surface enriched, potentially hematite mineralisation, and near-surface weathering effects leading to higher Fe and lower silica grades near the surface.

In brief, the Company has shown the presence of magnetite iron mineralisation at the Tratramarina Project. The grade it as yet still not known with any degree of certainty and the tonnage remains to be defined. The current "best guess" for the potential of the favourable geology is that the strike length of the ore body is of the order of 2.5km and width on surface of approximately 1km. From the geographical benefits and mineralisation evidence demonstrated by previous exploration, the Board believes the Tratramarina Project warrants further exploration and drilling

the focus of which will be directed from the outcome of the planned airborne survey.

The Tratramarina Project offers potentially competitive capital costs being only some 16km from the coast and possibly accessible by river. The Tratramarina Project is potentially a low capital and low operating cost upgradable iron project because of its location and grade that may also have potential for a relatively small amount of DSO.

For a summary of the work completed to date on, and key findings for, the Tratramarina Project, please refer the Independent Geologist Report set out in full at Schedule 1.

(c) Ambodilafa Project

The Ambodilafa Project is an iron mineralisation deposit located in the Republic of Madagascar, approximately 45km west of the coastal village of Nosy Varika in Fianarantsoa Province. Based on the Company's work to date, the Board believes the Ambodilafa Project has the following key strengths:

- (i) The Ambodilafa Project appears to have been mis-mapped in all the "official" surveys similar to that at the Tratramarina Project. The Company's preliminary exploration and evaluation work has comprised surface mapping and sampling, diamond drilling and preliminary metallurgical test work. This work has confirmed the presence of significant thicknesses of magnetite banded iron formations (**BIF**) which is readily upgradeable to a high grade, low impurity product, refer to pages 118 – 122 of the IGR in Schedule 1.
- (ii) The Ambodilafa Project is characterised by a large magnetic anomaly in the north with a north-south trending strike length of approximately 5km, ranging from 100m to 400m wide and interpreted as extending to a depth of more than 500m below surface.
- (iii) The 421 rock chip samples collected along the zone and analysed with hand-held x-ray fluorescence instrument averaged 44% Fe. In addition, the unexplored Western Limb can be clearly seen with over 2km of strike.
- (iv) Seven drill holes were completed which intersected relatively narrow BIF horizons within the volcano-sedimentary package. Mineralisation intersected included 42m @ 30.8% Fe and 12m @ 37.18% Fe, with several near surface intersections of 54m @ 35.39% and 28m @ 33.39%. At this time, the Board believes that the progression of the Ambodilafa Project logically follows the development of the Tratramarina Project.

For a summary of the work completed to date on, and key findings for, the Ambodilafa Project, please refer to the executive summary at Section 1 and the IGR set out in full at Schedule 1.

3.4 Group structure

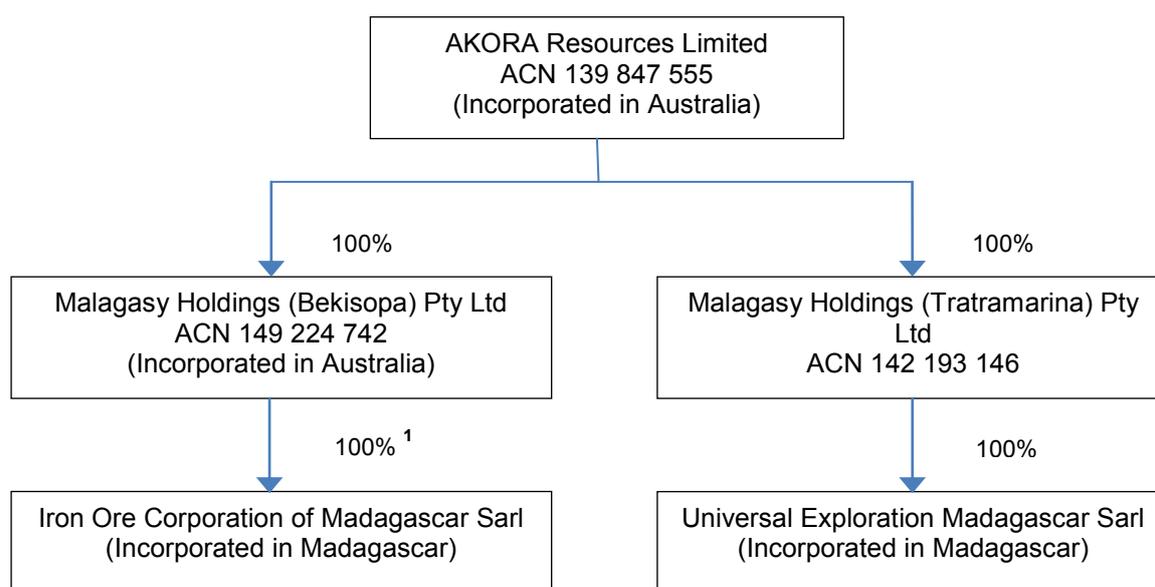
The Company acts as the holding company of the Group. The Company controls the following entities:

Name of subsidiary	Place of incorporation and registered office	Ownership interest in issued share capital (%)	Principal activity
Malagasy Holdings (Tratramarina) Pty Ltd ACN 142 193 146	Australia, 211 McIlwraith Street, Carlton North, Victoria 3054	100	Parent company of UEM
Malagasy Holdings (Bekisopa) Pty Ltd ACN 149 224 742 (successor to Malagasy Holdings (Bekisopa) Limited)	Australia, 211 McIlwraith Street, Carlton North, Victoria 3054	100	Holder of 75% of IOCM and the beneficial holder of the remaining 25% of the shareholding in IOCM pending the registration of the transfer of that interest by the Malagasy authorities
Universal Exploration Madagascar sarl (UEM)	Madagascar, Lot Pres II J 120 C, Ambodivoanjo, Analamanga, Antananarivo 101	100	Holder of the Tratramarina Permits
Iron Ore Corporation of Madagascar sarl (IOCM)	Madagascar, Lot Pres II J 120 C, Ambodivoanjo, Analamanga, Antananarivo 101	100 ¹	Holder of the Bekisopa Permits

Note

1. Please refer to Note 1 accompanying the group structure diagram below.

A group structure diagram is below.



Notes:

1. As at the Prospectus Date, the Company, through its wholly owned subsidiary Malagasy Holdings (Bekisopa) Pty Ltd, holds 75% of the legal interest and 100% of the beneficial interest of Iron Ore Corporation of Madagascar Sarl. The Company will hold 100% of the legal interest in ICOM subject to the Malagasy authorities completing the registration of the transfer papers for the Company's acquisition of the remaining 25% from Cline Mining. Please refer to Section 9.1(c) for a summary of the terms of the acquisition of this interest.
2. In relation to the Ambodilafa Project:
 - (a) the Company holds the 90% beneficial interest in Commodities (which includes prospective iron ore commodities) pursuant to the Ambodilafa Farm In Agreement; and
 - (b) the Company holds the rights to the Other Commodities subject to farm in rights in favour of Jubilee, and subject to the comments set out in Section 9.1(b).

Please refer to Section 9.1(b) for a summary of the Company's farm in agreement with Jubilee.

3.5 Business strengths

The Board believes that the Company has the following key strengths:

- (a) The Company has acquired three tenement packages with iron mineralisation potential

The Company holds the tenements over land of some 308 km² within the emerging Archean iron mineralisation province of central and eastern Madagascar. The region is widely acknowledged to host extensive iron-bearing rock formations. The Company has consolidated tenements over priority target areas and is aiming to complete further tenement acquisitions in the future.

- (b) The Projects have favourable locations

By comparison to certain other pre-development prospective iron projects, the Projects benefit from reasonable proximity to deep-water coastline. Both the Ambodilafa Project and Tratramarina Project are located less than 50km and 16km respectively from the coast.

- (c) Potential for the development of marketable iron ore products

The Directors believe the Bekisopa Project has the potential for DSO lump iron ore, please refer to the Executive Summary on page 5 of the IGR at Schedule 1. With the presence of coarse high-grade magnetite within the country rock adjacent to the massive magnetite-hematite layers then with crushing, coarse grinding, some normal sorting and washing could produce an added value product for sale. Furthermore, the primary magnetite could be amenable to relatively simple concentration to produce a high grade, low impurity product.

- (d) Experienced management

The Board has significant technical, commercial, financial experience within the mining industry as well as working in developing countries.

- (e) Independent Geologist Report and strategy

In 2017 and 2020 the Company commissioned Wardell Armstrong to prepare an independent geologist report on the Projects. The full report dated 10 November 2020 is set out at Schedule 1.

Wardell Armstrong is of the opinion that the Projects have demonstrated the presence of iron and the potential exists for Mineral Resources to be identified and developed, particularly at the Bekisopa Project. For further details please refer to the Executive Summary on page 5 of the IGR in Schedule 1.

The Company confirms that no material changes have occurred since the date of the Independent Geologist Report the omission of which would make the IGR misleading.

(f) Geology

All the Company's prospects lie within the Precambrian rocks of Madagascar, a favourable "time window" for major iron deposits. The Tratramarina and Ambodilafa prospects are located within Archean crustal rocks and appear to be typical Algoma style BIFs.

The Bekisopa prospect, in contrast, is located within Palaeoproterozoic age rocks and does not appear to be a BIF style deposit, having more similarities with Kiruna, Sweden, and/or skarn style iron mineralisation.

(g) Mineralisation

The Tratramarina and Ambodilafa prospects have been shown to consist of quartz-magnetite BIF in the primary zone, with some limited upgrading due to weathering effects near surface. The mineralisation grades between 25% and 40% Fe and appears to be readily upgradeable to a saleable concentrate grade.

The Bekisopa prospects consist of several bands of massive magnetite-hematite grading between 60% and 68% Fe within a wider zone of disseminated magnetite in amphibolites and calc-silicates that grades between 30% and 60% Fe.

(h) Team:

The Company has an experienced development team led by Mr Paul Bibby as Managing Director and Chief Executive Officer with key members including, Mr John Madden as Chief Financial Officer, Executive Director and Company Secretary, Mr Tony Truelove as consultant geologist, in country geologist Mr Thierry Andrianihaja and Ms Jeannette Randriambololona as Senior Administrative Manager. As the work programmes unfold the Company will hire consultants and employees with relevant experience to complete the phase of work.

3.6 Work programme

The Company with the Wardell Armstrong's Competent Person has constructed a focused exploration and drilling programme to define a maiden JORC Code resource at Bekisopa for its high-grade lump direct ship iron ore product.

Some 4000 to 5000 metres of drilling is planned, with the first stage of 700 to 1000 metres scheduled from October 2020 through to November 2020, then a necessary access break due to the seasonal wet weather from November through to April each year. Then drilling is to recommence in April 2021 for an extensive drilling campaign. The logging, analysis and interpretation of the drill core and geological information will be conducted in parallel with the drilling programme from late October 2020 through to November 2021.

In April and May of 2021, the Company plans to conduct a ground magnetic survey on the nearby Bekisopa tenements that have not yet been geologically evaluated with the aim of having these results studied in mid-2021. There will be a series of mineralogy and mineral processing testing and evaluations performed on drill core material from February through to August 2021 to better understand the various mineralogy types present at Bekisopa and the necessary mineral processing steps required to produce saleable high grade DSO and magnetite fines products. In mid-2021 the Company will conduct a magnetic survey across its Tratramarina tenements. As at the Prospectus Date, the Company does not intend to conduct any work programme on the Ambodilafa Project.

3.7 Industry overview

(a) Background

Iron is the earth's fourth most abundant element and iron ores are rocks and minerals from which metallic iron can be economically extracted. Iron ore is a mineral substance which, when heated in the presence of a reductant, will yield metallic iron (Fe). Iron ores almost always consists of iron oxides, the primary forms of which are magnetite (Fe_3O_4 with a maximum of 72.4% Fe) and hematite (Fe_2O_3 with a maximum of 69.9% Fe). The iron ores vary in colour from dark grey, bright yellow, or deep purple to rusty red. Ores containing very high quantities of hematite or magnetite (greater than about 60% iron) are known as "natural ore" or DSO, meaning they can be fed directly into iron-making blast furnaces.

Iron ore is the source of primary iron or pig iron for the world's iron and steel industries. It is therefore essential for the production of steel, which in turn is essential to maintain a strong industrial base. Iron ore is one of the main raw materials to make steel, 98% of the mined iron ore is used to make steel.

Iron ore is mined in about 50 countries. The seven largest of these producing countries account for about three-quarters of total world production. Australia and Brazil together dominate the world's iron ore exports. The seaborne market for iron ore is around 1.3bn tonnes and is the largest mined metal market by value.

(b) Geology/Deposit formations

Iron ores around the world range from magnetite (Fe_3O_4) rich material with a theoretical maximum grade of 72.4% Fe, through hematite (Fe_2O_3) with a maximum grade of 69.9% Fe, down to lower grade hydrated forms of iron oxides and even siderite (FeCO_3).

There are many different types of iron ore deposit of greater and lesser significance economically. These include:

- (i) BIFs;
- (ii) High-grade Iron Ore deposits developed from BIF – typically hematitic;
- (iii) Oolitic Ironstones, Magmatic Deposits; and Skarn Deposits.

More than 95 percent of all deposits mined today are of sedimentary origin and of these the BIF and their enriched derivatives are the most important. Production today is almost entirely from three types of deposit, deposits related to Precambrian BIF provide about 90% of all iron ore mined. The remainder is derived from metasomatic skarn and Magmatic magnetite deposits.

(c) Banded iron deposits

BIFs are sedimentary rocks containing more than 15% iron composed predominantly of thinly bedded iron minerals and silica (as quartz) and are the primary source of most of the world's iron ore, refer to Figure 1. Banded iron formations occur exclusively in Precambrian rocks. Banded iron formations may contain iron in carbonates (siderite or ankerite) or silicates (minnesotaite, greenalite, or grunerite), but in those mined as iron ores, the oxides of magnetite or hematite are the principal iron mineral. Often the formation has undergone some form of residual enrichment to deliver a high grade, magnetite or hematite deposit grading more than 60% Fe, well above the primary banded iron formation which generally grades around 25-30% Fe.



Figure 1: Banded Iron Formation with the dark ore being magnetite and the white being silica (Quartz). This photo is of the BIF observed at the AKORA Resources Trartramarina project. Source: AKORA.

BIF can be hundreds of meters thick and continuous along strike length for many kilometers. Typical grade of iron in economical magnetite-bearing BIF is around 25-30% Fe which can be upgraded relatively easily by grinding and magnetic separation to a high-grade product, called a concentrate, and grading more than 64% Fe. Magnetite-bearing banded iron formation is currently mined extensively in Brazil, which exports significant quantities to China and Asia.

(d) Magmatic magnetite deposits

Magmatic magnetite deposits are generally associated with igneous rocks and form when the contained magnetite segregates into a massive magnetite suitable for economic extraction.

Some magnetite skarn and hydrothermal deposits have been worked in the past as high-grade iron ore deposits requiring little beneficiation. Other sources of magnetite iron ore include metamorphic accumulations of massive magnetite ore such as mined at Savage River, Tasmania, formed by shearing of ophiolite ultramafics.

(e) Hematite ore

Hematitic iron ore (Fe_2O_3) deposits are currently exploited on several continents, with the largest in South America, Pilbara region of Australia and Asia. Hematite BIF is somewhat rarer than magnetite BIF but the enriched hematite ore can be cheaper to process as it generally does not require beneficiation due to its higher iron content. However, hematite ores are often harder than magnetite ores and therefore require considerably more energy to crush and grind if beneficiation is required. Hematite ores can also contain significantly higher concentrations of penalty elements, typically being higher in phosphorus, water content and aluminium.



Figure 2. Typical iron ore rocks; left is Hematite and the right is Magnetite.

Source: AKORA.

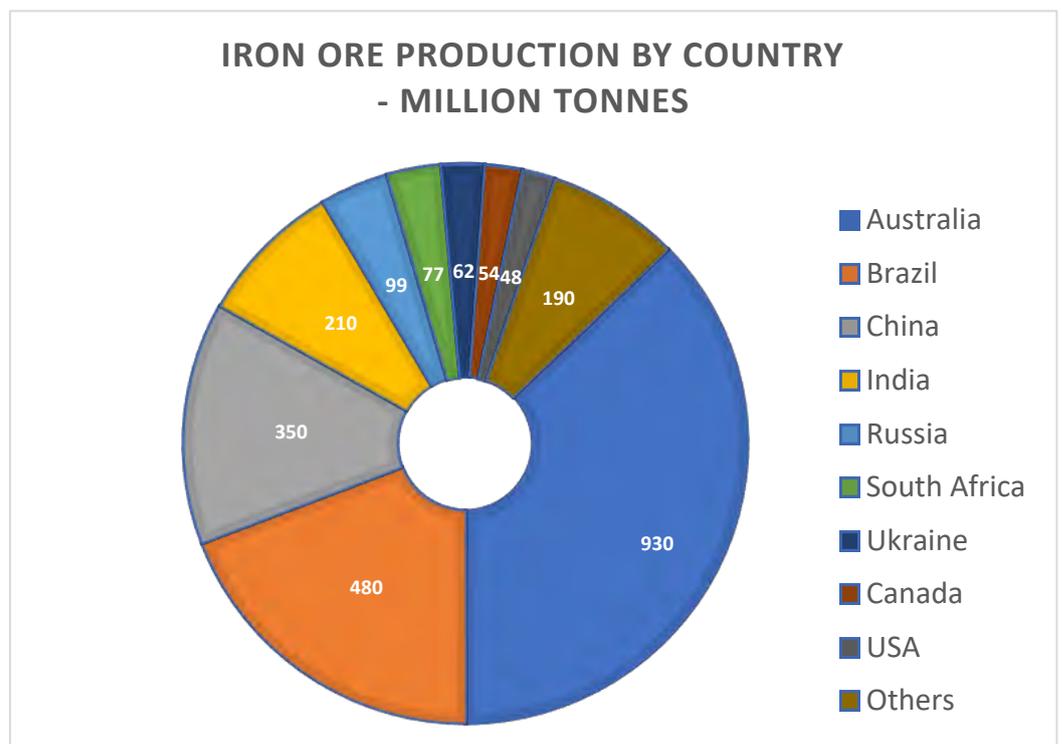
(f) Magnetite ores

The iron ore mineral magnetite actually has higher iron content than the mineral hematite. Magnetite is one of the main iron ores, with the chemical formula Fe_3O_4 , and is ferrimagnetic, it is attracted to a magnet, and therefore is readily separated and upgradable. Today it is mined as iron ore.

(g) Supply and demand

In 2019 world mined production of iron ore was some 2.5 billion tonnes. Refer to Figure 3.

Figure 3. – 2019 Iron Ore Production by country – Usable ore (million Mt).
Source: Statista 2020



Of all tonnage mined some 1.52 billion tonnes was delivered as seaborne trade, refer to Figure 4, predominately to China which imported 1.069 billion tonnes in 2019, a 12% increase since 2015.

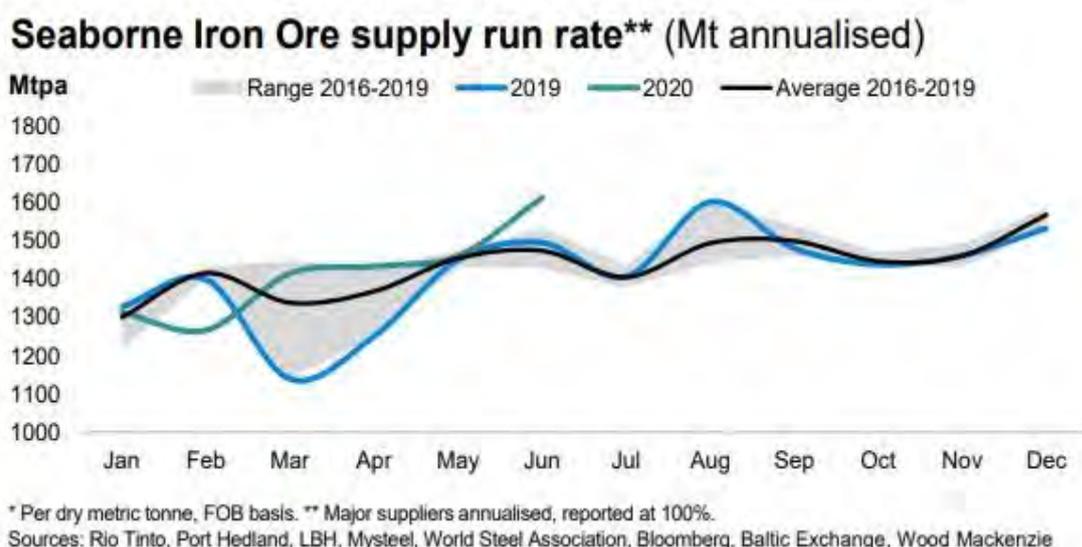


Figure 4: Annually some 1.5 billion tonnes of iron ore is supplied into the seaborne trade and 2020 year to date demand has remained strong.

The production of iron ore is dominated by three countries with Australia, Brazil and then China, with India, Russia and South Africa being the next significant producers, refer Figure 3 above.

Supply is also concentrated amongst the “Big 3” companies; Vale in Brazil, Rio Tinto and BHP Billiton in Australia, with Australian miner Fortescue increasingly becoming the fourth main producer. In 2019 these four miners delivered around 61% of the worlds mined iron ore as seaborne trade up from around 52% in 2015, refer Figure 5.

Figure 5 – 2015 v 2019 Iron Ore Production – by Company. Source: Statista 2020 and Company Reports.

Company	2015 Production (Mt)	2015 Share of World Production %	2019 Production (Mt)	2019 Share of World Production %
Vale SA	346.1	17.2	302	17
BHP Billiton	273.8	13.6	270	15.4
Rio Tinto	263.3	13.1	326.7	18.7
Fortescue Metals Group	160.5	8.0	167.7	9.6
ArcelorMittal	61.0	3.0	37.1	2.1
Anglo American	44.9	2.2	42.4	2.4

Iron ore is mined in some 50 countries of these 39 export iron ore via the significant seaborne trade. In 2020 some 1.748 billion tonnes is forecast to be traded by the major miners; Vale, Rio Tinto, BHP, Fortescue, plus some 22 smaller iron ore miners each shipping less than around 15mtpa.

- (i) On the supply side iron ore production in 2019 and 2020 has been under increased pressure due to production shortfalls the result of disruptions to production at Vale in Brazil, and seasonal cyclone impacts in north-western Australia. Also, in 2020 COVID-19 has had an impact in Brazil resulting in production disruptions at Vale's operations. As a result, supply has been affected in recent times. Other factors influencing the potential supply of iron ore into the seaborne trade are: deceleration of supply growth from the major mining companies;
- (ii) lower domestic Chinese iron ore production, due to closure of high cost low grade mines, refer to Figure 6: and
- (iii) the sharp recovery in Chinese steel production and apparent domestic demand, refer to Figure 7.

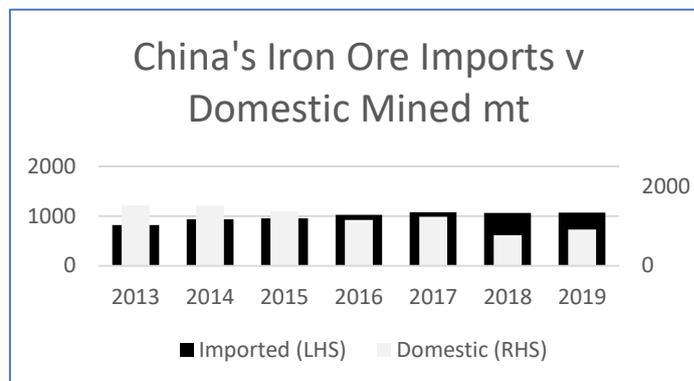


Figure 6: China continues to import increasing tonnage of iron ore via the seaborne trade over the past five years and this is expected to be maintained in coming years as local high cost and low-quality Chinese iron ore mines close.

Source: World Steel Association and Statista 2020.

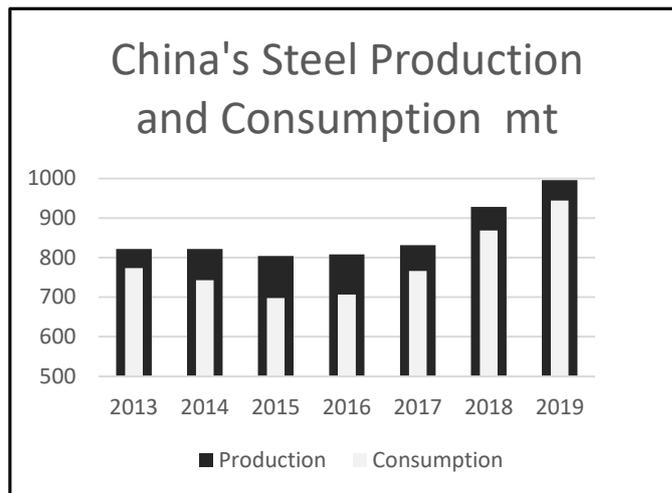
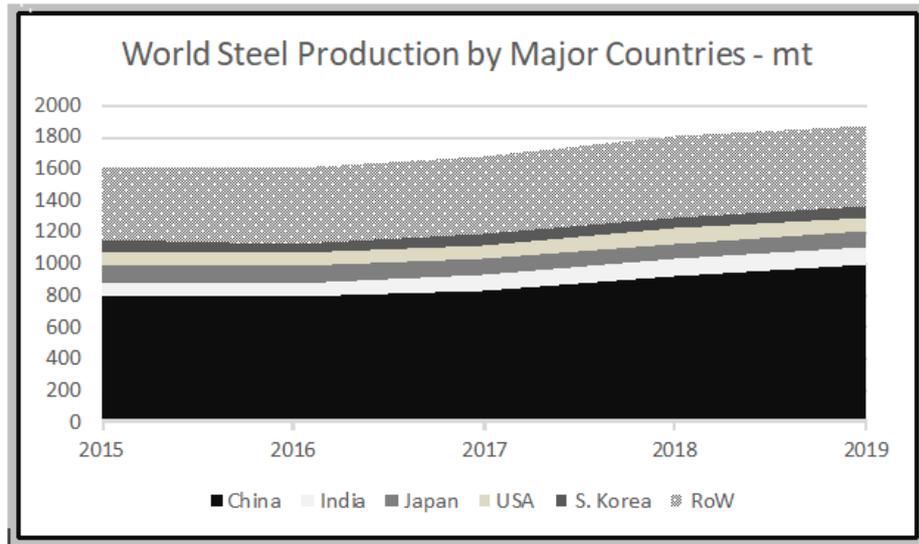


Figure 7: Chinese domestic steel production has continually increased year on year. In 2019 China produced some 996.3 million tonnes of crude steel predominately from imported iron ore.

Source: World Steel Association and Statista 2020.

(h) Demand

Steel production is effectively the exclusive demand driver for iron ore, with 98% of global demand represented by steelmaking. China is the largest iron ore importer globally by a large margin and the world's major steel producer, producing 996.3mt in 2019 being 53.2% of the world's total output. As a result, iron ore and steel demand are sensitive to infrastructure and property investments in China and general infrastructure building across the world. Global steel production rose by some 15% from 2015 through to 2019, see Figure 8. The bulk of the increase was recorded in China up 24%, and India up 24%, then offset by falls in the United Kingdom, Brazil, Japan and Spain. In 2016, China produced just under half the global steel total, at around 808 million tonnes, this has grown to 996.3 million tonnes in 2019 to be 53% of the world's steel production, refer Figure 8.



Source: World Steel Association.

Figure 8: World Steel production has increased 15% from 2015 to 2019, with China and India delivering the largest overall increases with both at around 24%.

(i) Markets

(i) Iron ore is not a homogenous product

Unlike copper or gold, which are generally homogeneously priced in refined form, iron ore is not an element and therefore it is necessary to specify several factors to determine the quality of one ore versus another.

(ii) Iron ore price varies by grade

The percentage number used when referring to iron ore, e.g. 62% iron ore fines, denotes the content of iron metal by weight in the ore. Higher iron content ores would attract a premium, whilst ores with lower content would attract a discount. The Metals Bulletin MBIO62DA Index is based off 62% Fe content, which is used as a benchmark. Product type attract a premium, with lump ore and pellets preferred to fines.

The majority of iron ore produced is usually in “fines” form. Fines are defined by Platts and The Steel Index as any cargo where 90% of the granular size of the particles in the shipment is below 10mm.

Beyond fines, two other common forms of product are “lump” and “pellets”. Lump is produced alongside fines by a screening process that separates the smaller fine iron ore from the larger lump iron ore. Platts defines lump as cargoes where no more than 15% of the product is below 6.3mm and no more than 15% of the product is larger than 31.5mm. Pellets are manufactured spheres of iron ore produced from fines, typically sized 10mm to 30mm. Pellets are produced by agglomerating iron ore fines and then hardening by heat.

Lump and pellets are preferred over fines, as their configuration allows for effective air and conversion gasses to flow through the iron ore feed material in a blast furnace to efficiently reduce the ore into iron. Both lump and pellet products command a price premium to fines.

(iii) Wet versus dry

Iron ores usually contain a certain amount of moisture by weight, in the region of 6 to 10% particularly if the product is processed by wet mineral processing methods. The Steel Index specifies 8% as the standard moisture content on benchmark 62% Fe fines, and 10% as the maximum.

Spot prices are usually quoted on a “dry” basis, i.e. per tonne of product excluding moisture. Therefore, a price adjustment often needs to be made between the stated benchmark price per tonne and the price applied to those produced tonnes.

Penalties apply for out of specification detrimental elements, like Silica, Alumina and Phosphorous.

As iron ore is a naturally occurring material the iron is also associated with other compounds that can be detrimental to the efficient operation of the blast furnace and then the quality of the steel product. As a result, there are specification for these detrimental elements; silica, alumina and phosphorous. The price penalties that apply vary with shipped iron grade and the content of the penalty element. When an iron ore shipment is chemically analysed on inspection price penalties can be applied for these trace elements being outside of the steelmakers specifications.

(j) Prices

- (i) For many decades iron ore was traded against an annually negotiated benchmark price, then around 2003 iron ore started being traded on the spot market. Since around 2013 the majority of iron ore has traded against a daily quoted spot market price, refer to Figure 9 and 10. Iron ore spot prices are benchmarked according to the ore being delivered to a specified port.

Figure 9 – China import Iron Ore Fines 62% FE spot (CFR Tianjin port), US dollars per metric ton (January 1980- February 2017) **Source: World Bank**

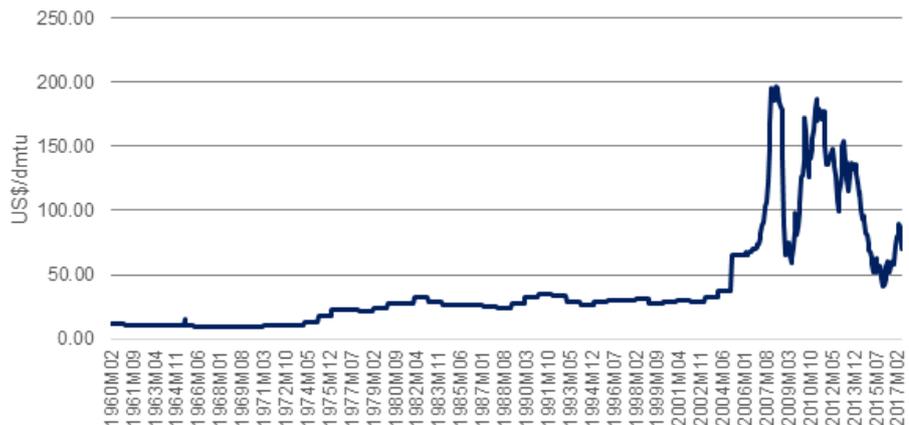




Figure 10. Daily quoted iron price for the 58%, 62% (benchmark) and 65% iron ore grades, from 22 April 2020 to 30 September 2020.

Source: CUSSteel.

The transport cost of delivering the ore to the port can be a considerable portion against the selling price. Benchmark spot prices are quoted on a CFR basis, standing for “cost & freight”, which means that the seller has paid the costs to bring the ore to the port of destination specified. Sometimes prices may be quoted “CIF”, which also includes insurance. Many contracts are priced on a “free on board” basis. This means that the seller has delivered the ore only to the port of export.

(k) Trends

The most significant recent iron ore price trends affecting the Company and the iron ore industry are as follows:

- (i) Steel production is effectively the exclusive demand driver for iron ore.
- (ii) China is the largest iron ore importer globally. As a result, iron ore and steel demand are sensitive to infrastructure and property investments in China, then world demand for Chinese produced products.
- (iii) Over the past two years (August 2018 to August 2020) the benchmark 62%Fe fines price has ranged between around U\$70 and U\$120 per tonne and in the past 12 months (August 2019 to August 2020) the price averaged around U\$85 per tonne then increased to U\$120 per tonne on August 31, 2020. Over 2019 and into 2020 the iron ore benchmark price has been strong and strengthening, this increase in price coincided with strong Chinese demand during COVID. Over these periods the price for 65% iron fines has been higher and reached U\$137.30 per tonne on 31st of August, 2020.

3.8 The region

(a) Geography and topography

Madagascar is located approximately 400km off the east coast of Mozambique in the Indian Ocean. It is the fourth largest island in the world and covers an area of approximately 590,000 square kilometres, extending over 1600 kilometres.

The topography is characterized by a mountainous central plateau and surrounding coastal plain. The climate is diverse but has two defined seasons, a hot, rainy season from December to March/April, and a cooler dry season from April/May to November. The rainy season causes difficulty in travelling off the main highways and for exploration, effectively limiting drilling to the dry season.

(b) Politics

Madagascar has had a strong electoral history and since independence has conducted 11 presidential elections, 12 legislative elections and 8 referenda.

The 2018 election resulted in Andry Rajoelina being returned to the presidency. Losing presidential candidate, Marc Ravalomanana accepted the defeat and called on his supporters to promote solidarity and national reconciliation. Growth in 2019 of 5.4% clearly indicates the continuation success of the National Development Plan and the new initiatives put forward by President Rajoelina

The 2010 constitution is based on the Napoleonic Code as well as local traditions.

There are three branches of government – the executive, the legislature, and the judiciary. The President is the head of the executive and is elected for five-year terms. The legislature is divided in two representative houses. The Assemblée Nationale is a 151-seat house of parliament with members elected for six years. The Senat comprises thirty-three members elected for six-year terms. The Prime Minister appoints ministers.

(c) Legal system

Most of the current Codes (laws) are based on French law and were implemented some years ago and have not been updated.

Madagascar has ratified the United Nations Convention Against Corruption, African Union Convention on Preventing and Combating Corruption, the SADC Protocol Against Corruption and international treaties and conventions on terrorism and organised crime. In September 2015, the government set a new national anti-corruption strategy as well as establishing institutions to fight corruption, Bureau independant anti-corruption (the Independent Anti-Corruption Bureau), the Comite pour la sauvegarde de l'integrite (the Integrity Safeguard Committee), the Service de renseignements financier (the Financial Information Service) and the Poles anti-corruption (Anti-corruption Police).

The system of company and corporate law in Madagascar is now similar to that found in any other French-speaking country. Since the new company law was implemented in 2004, the procedure for setting up and operating companies has become much simpler.

(d) Foreign investment and company law

There are two sorts of company of interest to the foreign investor: the société à responsabilité limité or SARL (similar to an English limited company) and the

société anonyme or SA (similar to an unlisted English plc). The SARL is relevant here as some of the Company's subsidiaries are SARLs

An SARL is administered by the gérant, or statutory director. The gérant is appointed by the shareholders in the statutes or by extraordinary general meeting of the Company. The gérant has full powers to run the company and it is very difficult to limit his apparent authority when dealing with third parties. If the gérant exceeds the authority he has under his appointment, no recourse is available against the third party to unwind any unauthorised transaction or claim compensation. Action may be taken by the shareholders against the gérant, but this may not be effective.

There is no obligation to have local shareholders and an SARL can be owned 100% by foreign people or companies. However, someone involved in the management or administration of a Malagasy company must be either a national or a resident foreigner. In the case of an SARL this means that the gérant must be resident in Madagascar or a Malagasy national.

A company's internal operation is much the same in Madagascar as elsewhere. A company is run for the benefit of its shareholders, it makes its decisions through its managers (i.e. the chair of the board and the managing director or the chief executive officer, general manager or gérant (as the case may be)) and these are all recorded as minutes in the company's records.

Under Malagasy company law, companies are free to contract as they wish. No permissions or permits are required after a company's incorporation to allow it to carry on business.

Malagasy companies can open foreign currency accounts in Madagascar and can receive and send foreign currency. Payments within Madagascar must be made in Ariary and transfers within Madagascar of foreign exchange are not allowed. Foreign exchange is freely available and the Ariary is freely convertible.

(e) Mining law

Mining investment in Madagascar is governed by the Code Minier (**Mining Code**), which has been in force since 1999. This should be read in conjunction with Decree no. 2006-910 dated 19 December 2006, which sets out the technical details for the implementation of the Mining Code and Law no. 2005-025 of 17 October 2005 which amends the Mining Code.

The Mining Code covers all aspects of mining. The most important aspect to consider at the present time is permitting. Granting of exploration and exploitation permits is subject to the issuance of an order duly signed by the Minister in charge of mines, although this is not required for Autorisation Exclusive de Réserve de Périmètre (**AERP**) (permit reservations). Granting of PREs is subject to the issuance of a decision of the technical authority in charge of mines in the concerned area.

Under the Mining Code, Madagascar is divided into squares; the former size of squares corresponds after adoption of the new mining code to 16 new squares of 625 m on a side. (Article 232 new mining code and article 85 of its mining decree). Squares issued prior to this date (2.5km on a side) are automatically converted into 16 "new" squares. These are administered by the Bureau de Cadastre Minier de Madagascar (**BCMM**) (the Madagascar Mining Registry). It operates on a first-come, first-served basis. The system has historically operated in a reliable, stable fashion and the risk of expropriation is low.

There are four basic types:

- (i) AERPs (permit reservations valid for three months and not renewable);
- (ii) Permis de Recherche (**PR** or **Exploration Permit**);
- (iii) Permis Reservé aux Petits Exploitants (**PRE**) or “Individual Mining Permit”;
and
- (iv) Permis d’Exploitation (**PE** or **Exploitation Permit**).

Applications for a PRE can only be made by a Malagasy citizen; applications for AERPs, PRs and PEs can be made by either citizens or by a Malagasy registered company (SA or SARL). There is no restriction on the size or nationality of shareholding in the company that holds a mining permit, nor on transfers of shares within that company.

An AERP is a temporary permit area reservation. It can be applied for over any free area. It gives an exclusive right over the area for three months and it is not renewable from issue (Article 22 Mining Code). At the holder’s option it can be surrendered or transformed into a PR.

In order to exploit a square commercially, the permit must be transformed into an Exploitation Permit. This is done essentially by completing an environmental impact assessment and paying the fee prescribed from time to time (Article 104 decree enforcing the Mining Code). The Exploitation Permit is granted for forty years, renewable in increments of twenty years (Article 37 of the Mining Code).

Both exploration and exploitation permits are real property rights that can be bought, sold, pledged or mortgaged, or otherwise charged or disposed of (Article 59 of the Mining Code).

Under the Mining Code, the holder of a permit has a right to occupy the surface of the square concerned, subject to payment of a reasonable rent. There is a procedure set out in the Mining Code in the event that the owner of the surface rights cannot reach an agreement with the permit holder (Article 124 of the Mining Code). Similarly, the holder of the permit has rights to construct and operate equipment necessary for the exploitation of the square in question. Again, this is subject to the payment of a reasonable rent to be imposed if not agreed.

The Mining Code further requires Exploration Permit holders to undertake an environmental impact assessment before transforming their permit into an Exploitation Permit (Article 162 Decree of the Mining Code). The terms of this are specified in an inter-ministerial decree known as the “MECIE” decree.

If minerals are found within the permit area that is not listed on the permit, these must either be left in the ground or the scope of the permit changed. This would also include fossils.

A royalty is payable based on the value of the product extracted. The Mining Code states that this is 2% of the value of the first sale (Article 117). However, for large exports of ore (rather than refined product) it can be difficult to define when the first sale takes place. The Mining Department of the Ministry of Energy and Mines has defined this point as being the first export sale and procedures are in place to avoid tax evasion by transfer pricing.

Apart from the royalty, permit holders are also subject to the payment of annual administration fees to the BCMM and which are shared to different beneficiaries such as the provinces, the regions and the communes. The different beneficiaries

are in charge to use the collected amount for the development of the local community.

(f) General mining permission

The first step for a company undertaking a mining project in Madagascar is to obtain an Exploration Permit. The Exploration Permit allows the company to carry out research activities. To advance a mining project to the commercial phase, an Exploitation Permit is required. One of the main requirements for converting the Exploration Permit is to complete an environmental assessment (**EA**). Included in the EA will be an Environmental Management Plan (**EMP**).

The Large Mining Investment Code (**LGIM**) is a government programme that provides the mine developer with significant incentives. The LGIM application is described below. Included in the LGIM application is an investment plan as well as environmental permit relating to the permit that will be subject to the LGIM certification.

It should be noted that there are no official texts in Madagascar dealing with the terms and conditions for mineral extraction, processing, or export. The principal documents associated with a mining project are the Mining Permit, and its granting order, the environmental permit, and the plan d'investissement (project investment plan filed for the application for (i) the certification under the LGIM or (ii) the stability guarantee under the Mining Code).

The LGIM guarantees that the terms of any permit (exploration, exploitation or environmental) will not be changed after the grant thereof. As well as these three major documents there are a large number of permits issued subsequently by the various ministries responsible. The majority of the permits will be issued by the Ministry of Mines and Strategic Resources and the Ministry of Environment and Sustainable Development, with other permits being issued by the Ministry of Regional Planning, Housing and Public Works, the Ministry of Transport, Tourism and Meteorology, the Ministry of Population, Social Protection and the Advancement of Women, the Ministry of Posts, Telecommunications and Digital Development, the Ministry of Sanitation and Hygiene, the Ministry of Agriculture, Livestock and Fisheries, the Ministry of Communication and Culture and the Ministry of National Defence.

(g) LGIM

This law provides for certain investment incentives for qualifying projects and is a key ingredient in making a large project attractive for investors. Certification of a project under the LGIM requires completion of environmental studies, issuance of mining or exploration permits, and certification by the Malagasy government of the investment plan, which must exceed approximately US\$25 million.

As a first step, any person or entity who wishes to conduct mineral prospecting is obliged to make a prior declaration to the BCMM (Mining Code 20, article 2005). This declaration of prospecting is valid for one year from the date of approval by the BCMM (article 66 of the implementing decree of the Mining Code 2005).

After this, the adoption of the Malagasy Environment Charter and the promulgation of the MECIE decree imply an obligation for any public or private investment project likely to undermine the environment to be examined either via an environmental impact assessment (**EIA**), or through an Environmental Commitment Programme (**PREE**), according to the technical nature, size of the project and the assessment of the agencies in question.

The project practicability study (screening) determines the type of study to be performed (EIA or PREE). In the case of a mining area, the following are subject to an EIA:

- (i) any developments, facilities, structures and works and jobs that might affect the sensitive zones (as required by Order No. 4355/97 of 13 May 1997 and Order No. 18177/04 27 September 2004 giving the definition and demarcation of sensitive zones);
- (ii) any developments, transport, works and jobs that exceed thresholds fixed in the MECIE Decree (see also MECIE Decree, annex I); and
- (iii) any jobs not subject initially to an EIA, but subject to an EIA if there is a modification increasing environmental damage.

The environmental permit, issued by the National Office for the Environment at the end of a favourable EIA, based on the Technical Evaluation Committee's technical opinion, is a precondition to starting any work located in the sensitive zones.

- (i) Obtaining an environmental permit

The environmental permit is acquired in the 60 days after a favourable EIA is filed, or 60 days as from the receipt of the complete files from the promoter if there is public participation by way of documents, on-site consultation or a public inquiry. This delay is 120 days in the case of public participation through a public hearing. This period will be extended by 10 days, if necessary, for answers to requests for supplementary information addressed by the Technical Evaluation Committee.

The environmental permit is valid until an environmental auditor's certificate is obtained when the project is closed (MECIE article 30), or if need be, up to the modification of the project scope, which will be specified by regulations (MECIE article 14).

In the case of a mining area, the following are subject to a PREE:

- (A) any operations outside the sensitive zones;
- (B) any projects with no or little impact on the environment; and
- (C) any project not exceeding thresholds fixed by the MECIE Decree (see MECIE Decree, annex II).

An environmental approval issued following the approval of the PREE by the concerned sectorial ministry, on the basis of its environmental department's technical opinion, is a mandatory precondition to begin any work not within sensitive zones.

The validity of the environmental approval relies on the applicant obtaining a mining licence (which is valid for five years, renewable twice for three years each time).

An environmental undertaking relating to a research project consists of:

- (A) an environmental undertaking for research with minimal impact: for operations restricted to activities whose environmental impact is considered minimal;

- (B) environmental undertaking for research with standard impact for the operations that are not eligible for an environmental undertaking for research with minimal impact; or
- (C) environmental undertaking for research on an artisanal mining permit: a licence of research and mining development reserved for farmers as defined in the Mining Code.

(ii) Obtaining an environmental authorisation

An environmental approval is acquired within 40 working days as from the date of receipt of the file, as follows:

- (A) the receipt of the environmental undertaking for research with minimal impact report and requesting the opinion of the Ministry of Mines' environmental department: 30 working days from the date of receipt of the report; and
- (B) approval of the Ministry of Mines: 10 working days as from the date of receiving an opinion from the environmental departments.

This period will be extended, if necessary, for answers to requests for supplementary information from the environmental department.

(iii) Environmental undertaking for research with standard impact

If the request is for a simple environmental undertaking for research with standard impact or concerns a research project in a sensitive zone, and if the operations of the holder expressly exclude operations in the sensitive zones that are inside the research perimeter, environmental approval is acquired 45 working days as from the date of receipt of the file:

- (A) the receipt of the standard impact report and requesting the opinion of the Ministry of Mines' environmental departments: 35 working days from the date of receipt of the document; and
- (B) approval of the Ministry of Mines: 10 working days as from the date of receiving an opinion from the environmental departments.

This period will be extended, if necessary, for answers to requests for supplementary information from the environmental department.

However, if the object of the standard impact report is a research project in a sensitive zone or at the stage of development or at practicability, the environmental approval is acquired in 50 working days as from the date of receipt of the file:

- (A) the receipt of the report at the environmental department and submission of the file by the environmental department to an ad hoc evaluation committee: 10 working days as from the date of receipt of the file;
- (B) the transmission of the committee's opinions to the Ministry of Mines: 30 working days as from the date of the environmental department sending the report; and
- (C) approval of the Ministry of Mines: 10 working days as from the receipt of the of evaluation committee's opinion.

(h) Taxation

Resident corporate entities are subject to tax based on realised worldwide income.

A corporate entity having an annual turnover of less than MGA 200 million is subject to tax at a rate of 5% of 70% of turnover, with a minimum tax of MGA 16,000.

A tax reduction of 2% of the amount of purchases of goods and services and equipment subject to regular invoices is applicable. However, tax due cannot be less than 3% of the turnover.

A corporate entity registered in Madagascar and having an annual turnover exceeding MGA 200 million is subject to tax at a rate of 20%.

Revenues sources from public market must be managed separately from any other revenues and subject to tax on public market at a rate of 8%.

The tax payable cannot be less than 5/1,000 of turnover plus a fixed amount of MGA 100,000 for taxable persons carrying on agricultural, artisan, transportation, industrial, hotel, or mining activities. The minimum tax cannot be less than 5/1,000 of turnover plus MGA 320,000 for other activities.

Only Madagascar-source income is taxable for non-residents.

Revenue of foreign businesses providing services to a Madagascar taxpayer that do not have a permanent establishment in Madagascar is subject to withholding tax at a rate of 10% of any income realised in Madagascar, including dividends. However, financial loan interest is subject to withholding tax of 20%. Purchases of goods and services from non-registered suppliers by a registered supplier are subject to withholding tax at a rate of 5%. Withholding tax of 20% is applicable on remuneration of a member of a board of directors or a single director.

The value added tax (**VAT**) rate is 20%, and the VAT rate on export is 0%. VAT input is recoverable under certain conditions.

VAT is applicable to all transactions realised in Madagascar by a VAT vendor. Services are considered to be performed in Madagascar if such services are used in Madagascar or invoiced to a taxpayer established in Madagascar.

Transport companies are allowed to claim VAT input on gasoline used for land transportation. The objective is to reduce the impact of cost of oil and gas on transportation fees.

Any corporate entity or individual person who realises an annual turnover exceeding MGA 200 million is a VAT vendor. For a business realising annual revenue less than MGA 200 million, VAT vendor registration is an option.

A foreign company that has no permanent establishment in Madagascar but renders services to a Madagascar taxpayer must appoint a tax representative to collect and pay VAT on its behalf. Otherwise, the beneficiary of the services must collect and pay VAT on behalf of the foreign supplier.

All transactions made by a VAT vendor with a non-VAT vendor must be done via the banking system when the value of the transaction exceeds a threshold fixed by Decree.

Real estate ownership tax is imposed annually at the rate of 5% to 10% on the rental value of the property. Land ownership is also taxable at a rate depending on the nature of the land.

3.9 Other matters

(a) Real estate law

The holder of a mining permit must inform the concerned landowners of its right to occupy certain portions of land required for its mining project, whether or not covered by the mining permit.

In this instance, the permit holder is required to make enquiries in order to identify the landowner where the land is subject to the mining permit. This would typically be undertaken at the point of transformation of the research permit (PR) into a full mining permit (PE) as part of or parallel to the EIA permitting process.

There is a system of land registration in Madagascar. Land that is registered is recorded in the books at the provincial land registry. The topographic service holds an official plan drawn up by a surveyor, showing the boundaries of the land. Applying to register previously unregistered land requires an application to the local land registry and payment of the appropriate fees.

The registration system allows charges and other interests including mortgages to be registered. In this way, anyone making an enquiry on a piece of land at the registry can see at once if the land is registered and if there are outstanding claims against it.

Investment law no. 2007-036 dated 14 January 2008 sets out provisions allowing local companies whose management is under the control of foreigners or depends on foreigners to acquire land with the proviso that (i) the said companies obtain an authorization from the EDBM, called the Economic Development Board of Madagascar (the “one-stop shop” in charge of assisting investors with the formalities of doing business in Madagascar) and (ii) the lands are used for commercial purposes notably industrial, tourism, agricultural and fishing activities. However, no decree has been taken to implement the investment law and despite these provisions, occupation of land by foreign investors is still made through a 99 years lease. Foreign individuals are not entitled to own land. Instead, occupation of land is also made through a 99 years lease.

Once the relevant landowner is identified, typically during the transformation of the research permit (PR) to full mining permit (PE), the permit holder negotiates a lease over the surface rights with the owner (or the Government in the case of unoccupied land). If the parties fail to agree terms for the lease, the mining permit holder can refer the case to the local authorities for conciliation. If no conciliation is met either party can apply to the Minister of Mines to impose terms and there is a presumption in the Mining Code that the permit holder will be granted access to the permit area.

The same applies to lands that are not covered by the mining permit. In addition to the above and if no conciliation is met, the mining permit holder can ask the Ministry in charge of mines to declare the mining project as a public utility matter. Pursuant to Ordinance no. 62-023 relating to the expropriation for public utility matter, the council of ministers through a decree is responsible for deciding a project as of public utility matter. The Court president is responsible for issuing the ejection decision and the compensation is determined either by amicable settlement or through the Court decision.

The holder of a mining permit must also come to an arrangement with any traditional occupants or users of land subject to the permits. As above, this would usually be done in parallel with the EIA permitting process during permit transformation from PR to PE.

(b) Fiscal regime

A 2% *ad valorem* royalty on mineral production is in place in Madagascar. The Tratramarina West Permits have a private 0.35% net smelter return royalty on any production from these tenements to the project vendor. This is the only private royalty applicable to the Company's current portfolio.

4. Financial Information

4.1 Introduction

This Section sets out the Historical Financial Information and Pro Forma Historical Financial Information (collectively, the **Financial Information**). The basis of preparation and presentation is set out below.

The Financial Information was prepared by Management and was adopted by the Board. The Board is responsible for inclusion of all Financial Information in this Prospectus. Bentleys Audit & Corporate (WA) Pty Ltd (**Bentleys**) has prepared an Independent Limited Assurance Report in respect of the Pro Forma Historical Financial Information. A copy of the report, together with an explanation of the scope of the Investigating Accountant's work, is set out in Section 5. The purpose of the inclusion of the Financial Information is to illustrate the effects of the Offer of the Company.

All information present in this Section should be read in conjunction with the balance of this Prospectus, including the Independent Limited Assurance Report in Section 5.

4.2 Historical Financial Information

The Historical Financial Information for the Company set out below comprises the following:

- (a) The historical Statements of Profit or Loss and Other Comprehensive Income for the years ended 31 December 2018, 31 December 2019 and for the half year ended 30 June 2020;
- (b) The historical Statements of Financial Position as at 31 December 2018, 31 December 2019 and 30 June 2020; and
- (c) The historical Statements of Cash Flows for the years ended 31 December 2018, 31 December 2019 and for the half year ended 30 June 2020.

(collectively, referred to as the **Historical Financial Information**).

4.3 Pro Forma Historical Financial Information

The pro forma financial historical information comprises:

- (a) The pro forma statement of financial position as at 30 June 2020, prepared on the basis that the pro forma adjustments and subsequent events detailed in Note 2 of Section 4.9 had occurred as at 30 June 2020; and
- (b) the notes to the pro forma financial information,

(collectively, referred to as the **Pro Forma Historical Financial Information**)

4.4 Basis and method of preparation

The historical financial information has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards and the accounting policies adopted by the Company as detailed in Note 1 of Section 4.9. The pro forma financial information has been derived from the historical financial information and assumes the completion of the pro forma adjustments as set out in Note 2 of Section 4.9 as if those adjustments had occurred as at 30 June 2020.

The financial information contained in this section of the Prospectus is presented in an abbreviated form and does not contain all the disclosures that are provided in a financial report prepared in accordance with the Corporations Act and Australian Accounting Standards and Interpretations.

The Historical Financial Information of the Company has been extracted from the financial reports for the years ended 31 December 2018 and 2019 and for the half year ended 30 June 2020. The 2018 and 2019 financial reports were audited by Bentleys in accordance with Australian Auditing Standards; unqualified audit opinions were issued with material uncertainty related to going concern paragraphs. The half year financial report for the period ended 30 June 2020 was reviewed by Bentleys in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. An unqualified conclusion was issued with a material uncertainty related to going concern paragraph.

4.5 Historical consolidated statements of profit or loss and other comprehensive income

AKORA Resources Limited	Reviewed*	Audited*	Audited*
	6 months to 30 June 2020	12 months to 31 December 2019	12 months to 31 December 2018
	\$	\$	\$
Revenue	45	202	6,514
Expenditure			
Administration expenses	(25,824)	(53,408)	(74,486)
Depreciation	(2,430)	-	-
Employee expenses	(152,598)	(752,948)	(76,053)
Settlement deferment costs	-	-	(53,131)
Finance costs	-	(20,000)	-
Contractors and consultants	(32,885)	(94,225)	(47,711)
Exchange fluctuation	48,070	(56,459)	(85,704)
Listing related costs	(69,211)	156,826	-
Travel	(8,695)	(87,660)	-
Other expenses	(2,984)	(6,381)	(3,651)
(Loss) before income tax expense	(246,512)	(914,053)	(334,222)
Income tax (expense)/benefit	-	-	-
(Loss) after income tax	(246,512)	(914,053)	(334,222)
Net loss for the year attributable to:			
Non-controlling interests	(35,454)	31,930	16,566
Owners of AKORA Resources Limited	(211,058)	(945,983)	(350,788)
Net loss for the year	(246,512)	(914,053)	(334,222)
Other comprehensive income for the period, net of tax:			
Non-controlling interests	22,425	13,071	(7,161)
Owners of AKORA Resources Limited	(60,455)	(50,550)	60,004
Total other comprehensive income	(38,030)	(37,479)	52,843
Total comprehensive income attributable to:			
Non controlling interests			
Owners of AKORA Resources Limited	(271,513)	(981,438)	(283,623)
Total comprehensive income	(284,542)	(936,437)	(274,218)

*Please refer to Section 4.4 with respect to the audit opinions and review conclusion issued by Bentleys on the historical financial information. The financial information should be read in conjunction with the accounting policies in Section 4.9 and the Independent Limited Assurance Report in Section 5.

4.6 Historical consolidated statements of financial position

AKORA Resources Limited	Reviewed*	Audited*	Audited*
	30 June 2020	31 December 2019	31 December 2018
	\$	\$	\$
Current assets			
Cash & cash equivalents	1,850,832	2,091,819	83,538
Receivables	17,692	14,419	5,739
Other	2,636	2,807	2,842
Total current assets	1,871,160	2,109,045	92,119
Non-current assets			
Exploration and evaluation	3,244,117	3,133,129	2,970,267
Property plant and equipment	12,917	12,831	-
Total non-current assets	3,257,034	3,145,960	2,970,267
Total assets	5,128,194	5,255,005	3,062,386
Current liabilities			
Payables	301,640	775,361	231,686
Provisions	16,589	23,857	21,293
Borrowings and other liabilities	-	-	240,000
Deferred consideration	163,922	161,802	407,340
Total current liabilities	482,151	961,020	900,319
Total liabilities	482,151	961,020	900,319
Net assets	4,646,043	4,293,985	2,162,067
Equity			
Contributed equity	19,469,348	18,832,748	15,971,191
Other contributed equity	221,893	221,893	-
Reserves	(221,493)	(161,038)	(110,488)
Accumulated losses	(14,945,494)	(14,734,436)	(13,788,453)
Equity attributable to shareholders of the parent	4,524,254	4,159,167	2,072,250
Attributable to non-controlling interests	121,789	134,818	89,817
Total equity	4,646,043	4,293,985	2,162,067

*Please refer to Section 4.4 with respect to the audit opinions and review conclusion issued by Bentleys on the historical financial information. The financial information should be read in conjunction with the accounting policies in Section 4.9 and the Independent Limited Assurance Report in Section 5.

4.7 Historical consolidated statements of cash flows

AKORA Resources Ltd	Reviewed*	Audited*	Audited*
	6 months to 30 June 2020	12 months to 31 December 2019	12 months to 31 December 2018
	\$	\$	\$
CASH FLOWS FROM/(USED) IN OPERATING ACTIVITIES			
Payments to employees and supplies	(282,240)	(259,103)	(250,346)
Interest Received	45	202	497
Net Cash Flows/(used) in Operating Activities	(282,195)	(258,901)	(249,849)
CASH FLOWS FROM/(USED) IN INVESTING ACTIVITIES			
Proceeds from sale of tenements	-	-	6,017
Settlement of acquisition of IOCM	-	(253,478)	-
Exploration and evaluation expenditure	(6,500)	(200,562)	(81,622)
Property plant and equipment	(2,482)	(12,831)	-
Net Cash Flows from investing activities	(8,982)	(466,871)	(75,605)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issues	-	2,732,349	8,700
Equity raising costs	-	(49,777)	-
Proceeds from borrowings	-	100,000	-
Net cash flows from financing activities	-	2,782,572	8,700
NET CASH FLOW	(291,177)	2,056,800	(316,754)
Cash and cash equivalents as at the start of the financial period	2,091,819	83,538	400,292
Exchange fluctuation	50,190	(48,519)	-
Cash and cash equivalents at the end of the year/period	1,850,832	2,091,819	83,538

*Please refer to Section 4.4 with respect to the audit opinions and review conclusion issued by Bentleys on the historical financial information. The financial information should be read in conjunction with the accounting policies in Section 4.9 and the Independent Limited Assurance Report in Section 5.

4.8 Historical and Pro-forma statements of financial position

	Notes	30 June 2020	Pro forma Subsequent Event Adjustments	Pro forma Adjustments		Pro forma balance	
				Minimum	Maximum	Minimum	Maximum
		\$	\$	\$	\$	\$	\$
Current assets							
Cash & cash equivalents	3	1,850,832	(647,758)	3,504,000	4,434,000	4,707,074	5,637,074
Receivables		17,692	(4,102)	-	-	13,590	13,590
Other		2,636	-	-	-	2,636	2,636
Total current assets		1,871,160	(651,860)	3,504,000	4,434,000	4,723,300	5,653,300
Non-current assets							
Exploration and evaluation	4	3,244,117	330,659	-	-	3,574,776	3,574,776
Property, plant and equipment		12,917	-	-	-	12,917	12,917
Total non-current assets		3,257,034	330,659	-	-	3,587,693	3,587,693
Total assets		5,128,194	(321,201)	3,504,000	4,434,000	8,310,993	9,240,993
Current liabilities							
Payables		301,640	(49,896)	-	-	251,744	251,744
Provisions		16,589	-	-	-	16,589	16,589
Deferred consideration	5	163,922	(163,922)	-	-	-	-
Total current liabilities		482,151	(213,818)	-	-	268,333	268,333
Total liabilities		482,151	(213,818)	-	-	268,333	268,333
Net assets		4,646,043	(107,383)	3,504,000	4,434,000	8,042,660	8,972,660
Contributed equity	6	19,469,348	491,803	3,600,841	4,471,122	23,561,992	24,432,273
Other contributed equity				-	-	-	-
Reserves	7	221,893	(221,893)				
Reserves	8	(221,493)	9,619	179,159	238,878	(32,715)	27,004
Accumulated losses	9	(14,945,494)	(265,123)	(276,000)	(276,000)	(15,486,617)	(15,486,617)
Equity attributable to shareholders of the parent		4,524,254	14,406	3,504,000	4,434,000	8,042,660	8,972,660
Attributable to non-controlling interests	5	121,789	(121,789)	-	-	-	-
Total equity		4,646,043	(107,383)	3,504,000	4,434,000	8,042,660	8,972,660

4.9 Notes to and forming part of the Historical Financial Information

Note 1: Summary of significant accounting policies

(a) Basis of Accounting

The historical financial information has been prepared in accordance with the measurement and recognition (but not the disclosure) requirements of Australian Accounting Standards, Australian Accounting Interpretations and the Corporations Act.

The financial statements have been prepared on an accruals basis, are based on historical cost and except where stated do not take into account changing money values or current valuations of selected non-current assets, financial assets and financial liabilities. Cost is based on the fair values of the consideration given in exchange for assets.

The preparation of the Statement of Financial Position requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Statement of Financial Position are disclosed where appropriate.

The pro forma Statement of Financial Position as at 30 June 2020 represents the reviewed financial position and adjusted for the transactions discussed in Note 2 at Section 4.9. The Statement of Financial Position should be read in conjunction with the notes set out in this Section.

(b) Going Concern

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

The Company expects to raise via an initial public offering \$4,000,000 before costs (Minimum Subscription) or \$5,000,000 before costs (Maximum Subscription). The Offer will allow the Company to accelerate its exploration and development plans while also enabling identification and, potentially, assessment of additional growth projects.

Based on the factors referred to above, the Board are satisfied that the going concern basis of preparation is appropriate.

(c) Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company and its controlled entities (i.e. the Group) as at and for the period ended 31 December each year.

Controlled entities are those entities over which the Group has the power to govern the financial and operating policies to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity.

The financial statements of the controlled entities are prepared for the same reporting period as the parent entity, using consistent accounting policies, in preparing and consolidated financial statements, all inter-parent entity balances, transactions, unrealised gains and losses resulting from the intra-group transactions have been eliminated in full.

Controlled entities are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Investments in controlled entities by the Company are accounted for at cost in the separate financial statements of the parent entity less any impairment charges.

The acquisition of controlled entities is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the entity acquired. The identifiable assets acquired, and the liabilities assumed are measured at their acquisition date fair values.

The difference between the identifiable assets acquired less the liabilities assumed and the fair value of the consideration is goodwill or discount on acquisition.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquired entity are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Non-controlling interests are allocated their share of net profit after tax in the statement of comprehensive income and are presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent entity.

Total comprehensive income within a controlled entity is attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a controlled entity that does not result in a loss of control, is accounted for as an equity transaction.

A change in the ownership interest of a controlled entity, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a controlled entity, it

- (i) derecognises the assets (including goodwill) and liabilities of the controlled entity;
- (ii) derecognises the carrying amount of any non-controlling interest;
- (iii) derecognises the cumulative translation differences recorded in equity;

- (iv) recognises the fair value of the consideration received;
- (v) recognises the fair value of any investment retained;
- (vi) recognises any surplus or deficit in the Statement of Comprehensive Income statement; and
- (vii) reclassifies the parent entity's share of components previously recognised in other comprehensive income to Statement of Comprehensive Income or retained earnings, as appropriate.

(d) Foreign currency translation

The financial report of the Group is presented in Australian dollars, which is the functional and presentation currency of the parent entity. Each entity in the Group determines its own functional currency.

On consolidation, the assets and liabilities of foreign operations are translated into Australian dollars at the rate of exchange prevailing at the reporting date and the income statements for foreign operations are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income.

(e) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Exploration and evaluation expenditure

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method. Once the legal right to explore has been acquired, exploration and evaluation expenditure is charged to Statement of Comprehensive Income as incurred, unless the board of directors conclude that a future economic benefit is more likely to be realised.

Exploration and evaluation expenditure is capitalised provided the rights to tenure of the area of interest are current and either:

- (i) the exploration and evaluation activities are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale;
- (ii) the exploration and evaluation activities in the area of interest have not at the end of a financial period reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or relating to, the area of interest are continuing.

When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated then any capitalised exploration and evaluation expenditure is reclassified as capitalised mine development. Prior to this reclassification, capitalised exploration and evaluation expenditure is assessed for impairment.

(g) Impairment

The carrying amount of capitalised exploration and evaluation expenditure is assessed for impairment at the cash generating unit level whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount.

Impairment exists when the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. Any impairment losses are recognised in Statement of Comprehensive Income.

(h) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(i) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the Group reacquires its own equity instruments, for example, as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in Statement of Comprehensive Income and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

(j) Financial Instruments

(i) Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(ii) Financial assets

Initial recognition and measurement

Financial assets are classified at initial recognition, and subsequently measured at amortised cost, or fair value through profit or loss or fair value through Other Comprehensive Income.

The classification of financial assets at initial recognition that are debt instruments depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of

principal and interest' (**SPPI**)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Trade receivable that do not contain a significant financing component or for which the Company has applied the practical expedient for contracts that have a maturity of one year or less, are measured at the transaction price determined under AASB 15.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, the Company's financial assets are classified in these categories:

Financial assets at amortised cost (debt instruments)

- (A) Financial assets at amortised cost (debt instruments)
- (B) Financial assets at fair value through profit or loss

The Company's financial assets at amortised cost include cash, short-term deposits, and trade and other receivables. The Company measures financial assets at amortised cost if both of the following conditions are met:

- (C) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- (D) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Interest received is recognised as part of other income in the Statement of Comprehensive Income. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

(iii) Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, and payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of trade and other payables, net of directly attributable transaction costs.

Subsequent measurement

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss and other comprehensive income.

Trade, other payables and borrowings

After initial recognition, trade and other payables and borrowings are subsequently measured at amortised cost.

(k) Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

(l) Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Group's financial statements in conformity with International Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. In particular, information about significant areas of estimation uncertainty considered by management in preparing the financial statements is described below.

(i) Functional currency

The functional currency of foreign operations has been determined as Australian dollars. This outcome has resulted from examination of the prevailing facts and circumstances, including the basis on which the entities incur obligations for exploration and evaluation activities and the basis on which the foreign operations are funded.

(ii) Exploration and evaluation expenditure

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits are likely from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of a resource, in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, the JORC Code 2012 Edition, is itself an estimation process that requires varying degrees of uncertainty depending on sub-classification and these estimates directly impact the point of deferral of exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions about the future events or circumstances, in particular, whether an economically viable extraction operation can be established.

Estimates and assumptions made may change if new information becomes available.

Significant judgement is required in determining whether it is likely that future economic benefits will be derived from the capitalised exploration and evaluation expenditure. In the judgement of the Directors, exploration activities in each area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. Active and significant operations in relation to each area of interest are continuing and nothing has come to the attention of the Directors to indicate future economic benefits will not be achieved. The Directors are continually monitoring the areas of interest and are exploring alternatives for funding the development of areas of interest when economically recoverable reserves are confirmed.

If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely or exploration activities in the area have ceased, the amount capitalised is written off in Statement of Comprehensive Income in the period when the new information becomes available.

Note 2: Actual and Proposed Transactions to Arrive at the Pro-Forma Financial Information

The pro-forma historical financial information has been prepared by adjusting the statement of financial position of the Company as at 30 June 2020 to reflect the financial effects of the following subsequent events which have occurred since 30 June 2020:

- (a) beneficial acquisition of non-controlling interests (25%) in Iron Ore Corporation of Madagascar sarl from Cline Mining Corporation (subject to the lodgement of the transfer documents with the Malagasy authorities the Company will hold legal title to the 25% interest) as well as settlement of outstanding obligations to Cline Mining Corporation pursuant to Deeds of Variation executed on 22 October 2016 and 31 January 2019 in relation to the Share Sale and Purchase Agreement, dated 13 June 2014, totalling \$269,910 via the issue of 10,796,411 Shares (pre consolidation);
- (b) issue of the second tranche of 12,752,471(pre consolidation) Shares to Evanachan Limited pursuant to its Subscription Deed dated 9 August 2019 of \$221,893;
- (c) on 31 August 2020, Shareholders approved the consolidation of the Company's shares through the conversion of every 11 Shares into 1 Share in the Company;
- (d) exploration expenditure incurred since 30 June 2020 of \$330,659;
- (e) on-going expenditures of \$271,305 since 30 June 2020, including recognition of exchange losses arising from the movement in the AUD/USD exchange rate and the reduction of working capital of \$45,794;

and the following pro forma transactions which are yet to occur, but are proposed to occur following completion of the Offer:

- (f) the issue of 16,000,000 Shares at \$0.25 per Share together with 1 Attaching Option (exercisable at \$0.30 with a term of 2 years from issue) for every 2 Shares subscribed for to raise \$4,000,000 before costs (Minimum Subscription) or the issue of 20,000,000 Shares at \$0.25 per Share together with 1 Attaching Option (exercisable at \$0.30 with a term of 2 years from issue) for every 2 Shares subscribed for to raise \$5,000,000 before costs (Maximum Subscription);
- (g) capital raising costs with respect to payments to the Lead Manager are estimated to be \$240,000 (of which \$10,000 has been paid before 30 June 2020, and \$10,000 has been paid since 30 June 2020) based on the Minimum Subscription and \$310,000 (of which \$10,000 has been paid before 30 June 2020 and \$10,000 since 30 June 2020) based on the Maximum Subscription;
- (h) further costs in relation to the Offer of \$430,660 (of which \$64,023 has been paid before 30 June 2020 and \$90,637 has been paid since 30 June 2020) (Minimum and Maximum Subscriptions); and
- (i) the issue of 1,500,000 options (with an exercise price of \$0.30 and a term of 2 years) and 200,000 Shares to the Lead Manager as consideration for capital raising services provided in connection with the Offer (Minimum Subscription) or the issue of 2,000,000 options (with an exercise price of \$0.30 and a term of 2 years) and 200,000 Shares to the Lead Manager as consideration for capital raising services provided in connection with the Offer (Maximum Subscription).

Note 3: Cash & Cash equivalents

	Prof Forma after Offers	
	Minimum	Maximum
	\$	\$
Cash and cash equivalents	4,707,074	5,637,074
Reviewed balance as at 30 June 2020	1,850,832	1,850,832
<i>Subsequent events:</i>		
Movement in working capital	(45,794)	(45,794)
Expenses incurred since 30 June 2020	(218,667)	(218,667)
Exploration expenditure	(330,659)	(330,659)
Foreign exchange losses	(52,638)	(52,638)
Total subsequent events	(647,758)	(647,758)
<i>Pro-forma adjustments:</i>		
Gross proceeds from the Offer	4,000,000	5,000,000
Costs of the Offer	(496,000)	(566,000)
Total pro-forma adjustments	3,504,000	4,434,000
Pro-forma balance	4,707,074	5,637,074

Note 4: Exploration and evaluation

	Pro Forma after Offers	
	Minimum	Maximum
	\$	\$
Exploration and evaluation	3,574,776	3,574,776
Reviewed balance as at 30 June 2020	3,244,117	3,244,117
<i>Subsequent events</i>		
Exploration expenditure incurred	330,659	330,659
Total subsequent events	330,659	330,659
<i>Proforma transactions</i>	-	-
Pro-forma balance	3,574,776	3,574,776

Note 5: Deferred consideration

	Pro Forma after Offers	
	Minimum	Maximum
	\$	\$
Deferred consideration	-	-
Reviewed balance as at 30 June 2020	163,922	163,922
<i>Subsequent events</i>		
Settlement of deferred consideration	(163,922)	(163,922)
Total subsequent events	(163,922)	(163,922)
Pro-forma balance	-	-

On 6 August 2020, the Company issued 10,796,411 (pre consolidation) Shares to beneficially acquire the remaining equity interest in Iron Ore Corporation of Madagascar sarl from Cline Mining Corporation (subject to the lodgement of the transfer documents with the Malagasy authorities the Company will hold legal title to the 25% interest) as well as settlement of outstanding obligations to Cline Mining Corporation pursuant to Deeds of Variation executed on 22 October 2016 and 31 January 2019 in relation to the Share Sale and Purchase Agreement, dated 13 June 2014, totalling \$269,910. Accordingly, the Group derecognised its non-controlling interest of \$121,789.

Note 6: Contributed Equity

	Pro forma after Offers			
	Number of Shares		Minimum	Maximum
	Minimum	Maximum	\$	\$
Contributed Equity			23,561,992	24,432,273
Reviewed balance as at 30 June 2020	410,169,931	410,169,931	19,469,348	19,469,348
<i>Subsequent events:</i>				
Acquisition of non-controlling interests and settlement of other obligations pursuant to Share Sale and Purchase Agreement between the Company and Cline Mining Corporation	10,796,411	10,796,411	269,910	269,910
Issue of shares to Evanachan Limited under Subscription Deed	12,752,471	12,752,471	221,893	221,893
Consolidation of shares	(394,289,825)	(394,289,825)	-	-
Total	39,428,988	39,428,988	19,961,151	19,961,151
<i>Pro-forma adjustments</i>				
Shares issued pursuant to prospectus	16,000,000	20,000,000	4,000,000	5,000,000
Share-based payments to Lead Manager ^(a)	200,000	200,000	-	-
Options over Shares to Lead Manager	-	-	(179,159)	(238,878)
Capital raising fee payable to Lead Manager	-	-	(220,000)	(290,000)
Total pro forma transactions	16,200,000	20,200,000	3,600,841	4,471,122
Pro-forma Balance	55,628,988	59,628,988	23,561,992	24,432,273

- (a) In accordance with the Company's agreement with its Corporate Advisor and Lead Manager Harbury Advisors Pty Ltd (Harbury), it has agreed to issue 200,000 Shares if at least \$2 million is raised from Manager Investors resulting in a value of \$50,000 which has been reflected as a capital raising cost offsetting the issued capital on issue of the shares.

Performance Rights

Pursuant to Mr Michael Stirzaker's Letter of Appointment dated 20 August 2020, the Board agreed to the award of 400,000 Performance Rights to Mr Stirzaker for nil consideration. The award of Performance Rights will be put to Shareholders for approval at the next general meeting of shareholders and will be subject to the terms and conditions for such an award of performance rights under the Long Term Incentive Plan. The fair value as at pro forma date of these Performance Rights would be \$100,000 however no expense has been recognised in the pro-forma financial statements as the Performance Rights relate to future services to the Company and is subject to shareholder approval.

Note 7: Other contributed equity

	Pro forma after Offers	
	Minimum	Maximum
	\$	\$
Other contributed equity	-	-
Reviewed balance as at 30 June 2020	221,893	221,893
<i>Subsequent events</i>		
Issue of shares to Evanachan Limited under Subscription Deed	(221,893)	(221,893)
Total subsequent events	(221,893)	(221,893)
Pro-forma balance	-	-

Note 8: Reserves

	Pro forma Minimum	Pro forma Maximum
	\$	\$
Reserves	(32,715)	27,004
Reviewed balance as at 30 June 2020	(221,493)	(221,493)
<i>Subsequent Events</i>		
Transactions with non-controlling interest	9,619	9,619
Total subsequent events	9,619	9,619
<i>Pro-forma adjustments:</i>		
Issue of options to Lead Manager ^(a)	179,159	238,878
Total pro-forma adjustments	179,159	238,878
Pro-forma Balance	(32,715)	27,004

- (a) The Company has agreed under the terms and conditions of the mandate with Harbury Advisors Pty Ltd to grant Harbury Options over Shares on the basis of 1 Option over ordinary shares for every 8 Shares subscribed to by clients of Harbury. The Options have a two year expiry from the date of listing and are exercisable at a price of 30 cents per Option over Shares. The above has been prepared on the basis

that for the Minimum Subscription \$3 million is raised from Manager Investors, resulting in the issue of 1,500,000 Options. The Maximum Subscription has been prepared on the basis that \$4 million is raised from Manager Investors, resulting in the issue of 2,000,000 Options. The Company has accounted for the Options over Shares granted to Harbury in accordance with AASB 2 *Share-based payments* using a Black & Scholes Option Valuation model with the following inputs:

Spot price	\$0.25
Exercise price	\$0.30
Period	2 years
Expected volatility	100%
Risk free rate	0.25%

Note 9: Accumulated Losses

	Pro forma after Offers	
	Minimum	Maximum
	\$	\$
Accumulated losses	<u>(15,486,617)</u>	<u>(15,486,617)</u>
Reviewed balance as at 30 June 2020	<u>(14,945,494)</u>	<u>(14,945,494)</u>
<i>Subsequent Events</i>		
Losses incurred since 30 June 2020	<u>(265,123)</u>	<u>(265,123)</u>
Total subsequent events	<u>(265,123)</u>	<u>(265,123)</u>
<i>Pro-forma adjustments:</i>		
Costs of the Offer	<u>(276,000)</u>	<u>(276,000)</u>
Total pro-forma adjustments	<u>(276,000)</u>	<u>(276,000)</u>
Pro-forma Balance	<u>(15,486,617)</u>	<u>(15,486,617)</u>

Note 10: Related Parties

Refer to Section 7 of the Prospectus for the Board and Management interests.

Note 11: Commitments and Contingent Liabilities

At the date of the report no other material commitments or contingent liabilities exist that we are aware of, other than those disclosed in this Prospectus.

Note 12: Subsequent Events

Subsequent to 30 June 2020 the following events have occurred which have been reflected in the pro-forma adjustments:

- (a) beneficial acquisition of non-controlling interests (25%) in Iron Ore Corporation of Madagascar sarl from Cline Mining Corporation (subject to the lodgement of the transfer documents with the Malagasy authorities the Company will hold legal title to the 25% interest) as well as settlement of outstanding obligations to Cline Mining Corporation pursuant to Deeds of Variation executed on 22 October 2016 and 31 January 2019 in relation to the Share Sale and Purchase Agreement, dated 13 June 2014, totalling \$269,910 via the issue of 10,796,411 (pre consolidation) Shares;
- (b) issue of the second tranche of 12,752,471 (pre consolidation) Shares to Evanachan Limited pursuant to its Subscription Deed dated 9 August 2019 of \$221,893;

- (c) on 31 August 2020, Shareholders approved the consolidation of the Company's shares through the conversion of every 11 Shares into 1 Share in the Company;
- (d) exploration expenditure incurred since 30 June 2020 of \$330,659; and
- (e) on-going expenditures of \$271,305 since 30 June 2020, including recognition of exchange losses arising from the movement in the AUD/USD exchange rate and the reduction of working capital of \$45,794.

- The audited historical Consolidated Statements of Profit or Loss and Other Comprehensive Income for the years ended 31 December 2018 and 31 December 2019 and the reviewed historical Consolidated Statement of Profit or Loss and Other Comprehensive Income for the half year ended 30 June 2020;
- The audited historical Consolidated Statements of Financial Position as at 31 December 2018 and 31 December 2019, and the reviewed historical Consolidated Statement of Financial Position as at 30 June 2020; and
- The audited historical Consolidated Statements of Cashflows for the years ended 31 December 2018 and 31 December 2019 and the reviewed historical Consolidated Statements of Cashflows for the half year ended 30 June 2020.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principals contained in Australian Accounting Standards and The Company's adopted accounting policies. The Historical Financial Information of The Company has been extracted from the financial reports for the years ended 31 December 2018 and 31 December 2019 and for the half year ended 30 June 2020. The 2018 and 2019 financial reports were audited by Bentleys in accordance with Australian Auditing Standards; unqualified audit opinions were issued with material uncertainty related to going concern paragraphs. The half year financial report for the period ended 30 June 2020 was reviewed by Bentleys in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. An unqualified conclusion was issued with a material uncertainty related to going concern paragraph.

Pro Forma historical financial information

You have requested Bentleys to review the pro forma historical Statement of Financial Position as at 30 June 2020 referred to as "the pro forma historical financial information".

The pro forma historical financial information has been derived from the historical financial information of The Company, after adjusting for the effects of the subsequent events and pro forma adjustments described in Note 2 of Section 4.9 of the document. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in Note 2 of Section 4.9 of the document, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the pro forma historical financial information does not represent the Company's actual or prospective financial position or financial performance.

The pro forma historical financial information has been prepared by adjusting the statement of financial position of The Company as at 30 June 2020 to reflect the financial effects of the following subsequent events which have occurred in the period since 30 June 2020:

- (a) Beneficial acquisition of non-controlling interests (25%) in Iron Ore Corporation of Madagascar sari from Cline Mining Corporation (subject to the lodgement of the transfer documents with the Malagasy authorities the Company will hold legal title to the 25% interest) as well as settlement of outstanding obligations to Cline Mining Corporation pursuant to Deeds of Variation executed on 22 October 2016 and 31 January 2019 in relation to the Share Sale and Purchase Agreement, dated 13 June 2014, totalling \$269,910 via the issue of 10,796,411 Shares;
- (b) Issue of the second tranche of 12,752,471 Shares to Evanachan Limited pursuant to its Subscription Deed dated 9 August 2019 of \$221,893;
- (c) On 31 August 2020, Shareholders approved the consolidation of the Company's shares through the conversion of every 11 Shares into 1 Share in the Company;
- (d) Exploration expenditure incurred since 30 June 2020 of \$330,659;
- (e) On-going expenditures of \$271,305 since 30 June 2020, including recognition of exchange losses arising from the movement in the AUD/USD exchange rate and the reduction of working capital of \$45,794;

and the following pro forma transactions which are yet to occur, but are proposed to occur following completion of the capital raising:

- (f) the issue of 16,000,000 Shares at \$0.25 per Share together with 1 Attaching Option (exercisable at \$0.30 with a term of 2 years from issue) for every 2 Shares subscribed for to raise \$4,000,000 before costs (Minimum Subscription) or the issue of 20,000,000 Shares at \$0.25 per Share together with 1 Attaching Option (exercisable at \$0.30 with a term of 2 years from issue) for every 2 Shares subscribed for to raise \$5,000,000 before costs (Maximum Subscription);
- (g) capital raising costs with respect to payments to the Lead Manager are estimated to be \$240,000 (of which \$10,000 has been paid before 30 June 2020, and \$10,000 has been paid since 30 June 2020) based on the Minimum Subscription and \$310,000 (of which \$10,000 has been paid before 30 June 2020 and \$10,000 since 30 June 2020) based on the Maximum Subscription;
- (h) further costs in relation to the Offer of \$430,660 (of which \$64,023 has been paid before 30 June 2020 and \$90,637 has been paid since 30 June 2020) (Minimum and Maximum Subscriptions); and
- (i) The issue of 1,500,000 options (with an exercise price of \$0.30 and a term of 2 years) and 200,000 Shares to the Lead Manager as consideration for capital raising services provided in connection with the Offer (Minimum Subscriptions) or the issue of 2,000,000 options (with an exercise price of \$0.30 and a term of 2 years) and 200,000 Shares to the Lead Manager as consideration for capital raising services provided in connection with the Offer.

Directors' Responsibility

The directors of The Company are responsible for the preparation of the historical financial information and pro forma historical financial information, including the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma historical financial information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro forma historical financial information that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express limited assurance conclusions on the historical financial information and pro forma historical financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Historical Financial Information

Conclusions

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information for The Company comprising:

- The historical Consolidated Statements of Profit or Loss and Other Comprehensive Income for the years ended 31 December 2018 and 31 December 2019, and the half year ended 30 June 2020;
- The historical Consolidated Statements of Cashflow for the years ended 31 December 2018 and 31 December 2019, and the half year ended 30 June 2020, and
- The historical Consolidated Statements of Financial Position as at 31 December 2018, 31 December 2019 and 30 June 2020

is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in Section 4.4 of the document.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma historical financial information comprising the Statement of Financial Position as at 30 June 2020 is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in Section 4.4 of the document.

Restriction on Use

Without modifying our conclusions, we draw attention to Section 4.1 of the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

Consent

Bentleys has consented to the inclusion of this Independent Limited Assurance Report in this disclosure document in the form and context in which it is so included (and at the date hereof, this consent has not been withdrawn), but has not authorised the issue of the disclosure document. Accordingly, Bentleys makes no representation or warranties as to the completeness and accuracy of any information contained in this disclosure document, and takes no responsibility for, any other documents or material or statements in, or omissions from, this disclosure document.

Liability

The Liability of Bentleys Audit & Corporate (WA) Pty Ltd is limited to the inclusion of this report in the Prospectus. Bentleys Audit & Corporate (WA) Pty Ltd makes no representation regarding, and takes no responsibility for any other statements, or material in, or omissions from the Prospectus.

Declaration of Interest

Bentleys Audit & Corporate (WA) Pty Ltd does not have any interest in the outcome of this transaction or any other interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. Bentleys Audit & Corporate (WA) Pty Ltd will receive normal professional fees for the preparation of the report.

Yours Faithfully,



MARK DELAURENTIS CA
Partner

6. Solicitor's Tenement Report

This Section contains the Executive Summary only of the Solicitor's Tenement Report. The full Solicitor's Tenement Report is set out at Schedule 2 and should be read in conjunction with this Section.

The Company engaged John W Fooks & Co to prepare the Solicitor's Tenement Report for inclusion in the Prospectus. In connection with preparing the Solicitor's Tenement Report, John W Fooks & Co conducted a legal audit of the various exploration permits held by the Company's Malagasy subsidiaries (Iron Ore Corporation of Madagascar (**IOCM**) and Universal Exploration Madagascar SARL (**UEM**) in relation to the Bekisopa Project and Tratramarina Project respectively) and Mineral Resources Madagascar SARL (**MRM**) (the entity that holds the Ambodilafa Permits).

The Solicitor's Tenement Report describes the good standing of the Exploration Permits and the Permis Reservés aux Petits Exploitants (**PREs**) held by IOCM, UEM and MRM (together, **Relevant Companies**). In Madagascar, PREs are only able to be held in the name of Malagasy nationals, through permit sale & purchase agreements and transfers of equitable interest documentation.

The Company, via the Relevant Companies (in the case of MRM, via a farm in agreement), has the following tenement interests in Madagascar:

- (a) IOCM holds three Exploration Permits and the beneficial interest in a PRE in respect of the Bekisopa Project (for further detail, refer to Part 1 sections 2.1 and 2.2 of the Solicitor's Tenement Report set out in Schedule 2);
- (b) UEM holds three exploration permits and the beneficial interest in two PREs in respect of the Tratramarina Project (for further detail, refer to Part 2 sections 2.1 and 2.2 of the Solicitor's Tenement Report set out in Schedule 2); and
- (c) the Company holds contractual rights only via a farm in agreement in respect of three Exploration Permits held by a third party, MRM, for the Ambodilafa Project (for further detail, refer to Part 3 section 2.1 of the Solicitor's Tenement Report as Schedule 2).

The Solicitor's Tenement Report concludes, amongst other things, the following:

- (a) the Exploration Permits are duly registered in the name of the Relevant Companies and the PREs in the names of Rakotoarisoa Joseph André and Razafindravola Marie Hélène (both Malagasy nationals) are in good standing;
- (b) the Relevant Companies have submitted applications to the BCMM for renewal of their Exploration Permits and the transformation of their PREs to Exploration Permits (these are currently in progress). Notwithstanding the fact the Relevant Companies are waiting for the administrative processes to be completed, the Exploration Permits are validly registered in the names of the respective entities and the transformations of the PREs to Exploration Permits are validly registered in the names of IOCM and UEM;
- (c) all the required documentation has been lodged and has been accepted by the BCMM and the Relevant Companies are able to exploit the Exploration Permits freely (subject always to the provisions of the Mining Code, and the environmental permitting process);
- (d) relevant environmental permits are held for the UEM and MRM permits which allows drilling with certain restrictions;

- (e) relevant environmental permits have been applied for in respect of the IOCM permits. This is a simple procedural filing which is not subject to the delays in permit renewal/transfer. Upon updating and reissuing the PEE-RIM application it is expected that these will be issued within approximately sixty (60) days of filing and allow drilling immediately once issued; and
- (f) The two PREs acquired by UEM (the only PREs for the Tratramarina Project) are correctly registered at the BCMM in the name of and are currently in full force and effect. As the PREs can only be held in the name of a Malagasy national under Malagasy law, the permits are held by Randriamananjara Santatriniaina on trust for UEM and UEM, by virtue of entering into a deed of equitable interest with Randriamananjara Santatriniaina, has full and unfettered access to the area the subject of the PREs and to carry out exploration, including drilling.

All of the Relevant Companies' Exploration Permits are currently subject to, and under application for, renewal as at the Prospectus Date. According to the Application Decree to the Mining Code, the Ministry of Mines should make a decision within 30 business days from the date of submission of the renewal request at the BCMM. At the current time, this timeframe is not being respected. However, the Solicitors Tenement Report states that Malagasy administrative law provides that where a private party has complied with its obligations in good faith and the state (in this case the BCMM and Ministry of Mines) is found wanting, the private party may rely on its existing rights and there is an assumption that these will continue to subsist in the absence of justified refusal.

For further details regarding the status and good standing of the Relevant Companies' permits, please refer to the Solicitor's Tenement Report which is set out in Schedule 2.

7. Board, Management and corporate governance

7.1 The Board

At the date of listing on the ASX, the Board will comprise 4 members, consisting of the Independent Non-Executive Chair, Mr Michael Stirzaker (**Chairperson**), Chief Executive Officer and Managing Director, Mr Paul Bibby, Executive Director, Chief Financial Officer, and Company Secretary, Mr John Madden, and Non-Executive Director Stephen Fabian. Details of the Board's engagements are set out in Section 7.6.

The Directors bring to the Board a variety of skills and experience, including industry and business knowledge, financial management and corporate governance experience.

7.2 Non-Executive Chairman, Non-Executive Director



Michael Stirzaker

BCom, CA

Non-Executive Chairman

Mr Stirzaker has over 30 years' commercial experience, mainly in mining finance and mining investment. He began his career in Sydney as a Chartered Accountant with KPMG before moving into investment banking with the HSBC Group and then Kleinwort Benson in London. From 1993 to 2007 he was part of the natural resource advisory and investment firm, RFC Group, where he became Joint Managing Director.

He has also been a shareholder and Director of Tennant Metals, a privately owned physical metal trader and investor, and was the Finance Director of Finders Resources, an ASX listed company producing copper in Indonesia.

From 2010 until 2019, Mr Stirzaker was a partner with the private equity mining fund manager, Pacific Road Capital, and since then, has taken up the role of representing the fund on a number of its investee company boards.

The Board considers Mr Stirzaker to be an independent director.

7.3 Chief Executive Officer and Managing Director



Paul Bibby

Dip. App Sci (Secondary Metallurgy) B App Sci Metallurgy

Chief Executive Officer and Managing Director

Paul is a metallurgist with over 35 years' experience across the mining and metals industry. Paul spent 23 years with Rio Tinto in various operational, technological and business development roles. From an operational perspective, Paul held a number of metallurgical management roles at Rio Tinto Aluminium (formerly Comalco), Kaltim Prima Coal and Rio Tinto Iron Ore (formerly Hamersley Iron) where he was manager of metallurgy at both Dampier and Paraburdoo. Paul joined Zinifex in 2004 as General Manager-Technology and then played a leading role in the merging of the Umicore (formerly Union Miniere) and Zinifex zinc smelting businesses to form Nyrstar. As Chief Development Officer at Nyrstar based in London, Paul was part of the management team that worked with bankers to raise around €2 billion in London and New York to fund the merger as well as return funds to the founding shareholders of Nyrstar. On returning to Australia, Paul was appointed chief executive officer of OceanaGold Corporation in 2009 and was instrumental in its equity raising activities in Europe and North America to improve its balance sheet and advance gold projects. In recent years, Paul has performed a number of "work-out" roles for Australian listed entities which involved various asset sales and reorganisations.

The Board does not consider Mr Bibby to be an independent director.

7.4 Chief Financial Officer, Company Secretary and Executive Director



John Madden

B Comm FCPA FGIA

Chief Financial Officer, Company Secretary and Executive Director

John is an accountant with over 30 years' experience in the mining

industry. John joined CRA Limited (now Rio Tinto) from the University of Melbourne in 1981 and held a number of corporate positions in accounting, planning, business analysis, taxation and strategy and acquisitions. Between 1996 and 2000, John was Manager Finance for the Rio Tinto/Freeport Joint Venture in West Papua. In 2000, John was appointed General Manager Finance for Morobe Consolidated Goldfields Limited in Papua New Guinea, where he was responsible for all commercial, legal and risk assessment studies performed as part of the feasibility study for the development of the Hidden Valley Gold Project.

In 2003, John returned to Australia where he joined Indophil Resources NL as General Manager-Commercial. John was responsible for all accounting, business analysis, corporate secretarial, legal and taxation functions in Australia and the Philippines. John was also responsible for all commercial functions associated with the Indophil Pre-Feasibility Study for the Tampakan Copper-Gold Project, which ultimately led to the decision by Xstrata Queensland Limited to exercise its option to acquire a controlling interest in the Tampakan Copper-Gold Project. John resigned from Indophil at the end of 2007 and provided consulting advice to Indophil as well as other mining entities including the Australian Premium Iron Ore Joint Venture, Intrepid Mines Limited, Mesa Minerals Limited and Ok Tedi Mining Limited before founding the Company in October 2009 and the acquisition of its principal assets in February 2011 and then Bekisopa in 2014.

The Board does not consider Mr Madden to be an independent director.

7.5 Non-Executive Director



Stephen Fabian

Mining Engineering (B.E. Min), Member of Australian Institute of Mining and Metallurgy, graduate of Securities Institute of Australia from FINSIA and MBA (Essentials).

Non-Executive Director

Following initial underground and open pit mining experience in Australia, in 1985 Mr Fabian joined Bankers Trust as a Resources Analyst/ Portfolio Manager, moved to NatWest Securities as specialist mining analyst and was voted No. 1 BHP Billiton analyst three years running. Mr Fabian subsequently transferred to NatWest London to lead the Australian mining resources team responsible for research and financing mining developments in emerging markets.

Mr Fabian formed Rock Capital Partners Limited (Rock Capital) in 1996 a specialist resources venture capital firm, completing advice and financing arrangements. Mr Fabian also worked with Baker Steel Capital Managers, London, to form the Genus Capital Fund the predecessor to the Baker Steel Resources Trust, (BSRT:LN), which successfully listed in 2010 on the London Stock Exchange raising in excess of £100m. BSRT focusses on earlier-stage opportunities in the resources sector and Rock Capital continues to act as its investment advisor.

Mr Fabian was appointed CEO of Brazilian Diamonds Limited, relocated to Brazil in 2000, founded Ferrous Resources Limited (Ferrous), developed a number of operating iron ore mines in Minas Gerais State, Brazil, raised over U\$800m, then Ferrous was acquired by VALE in 2018. Involvement in Brazilian iron ore mining continued over this period through South American Ferro Metals which continues to the present.

Relocated to London in 2014 continuing involvement in Brazil iron ore and other developments and presently Executive Chairman of Brazil Tungsten Holdings Limited. Recently founded Tungsten West Limited reviving the large UK-Hemerdon tungsten deposit.

The Board considers Mr Fabian to be an independent director.

7.6 Interests of Directors

Except as disclosed in this Prospectus, no Director holds, or during the last 24 months has held, any interest in the formation or promotion of the Company, the property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer, and no amounts of any kind (whether in cash, Shares or otherwise) have been paid or agreed to be paid to any Director to induce him to become or to qualify as a Director or otherwise for services rendered by him in connection with the formation or promotion of the Company or the Offer.

(a) Non-Executive Directors — Letters of engagement

Each of the Non-Executive Directors have entered into appointment letters with the Company and will hold office until the date of the next annual general meeting of the Company, whereby they will be eligible for election as a Director at that meeting and, if elected, will thereafter be subject to retirement by rotation under the Constitution. The remuneration of the Non-Executive Directors is summarised in the table below.

Director	Annual remuneration (pre-statutory superannuation entitlements)	Shareholding (pre-consolidation)	Shareholding at Prospectus Date
Mr Michael Stirzaker	\$76,650	-	-
Mr Stephen Fabian	\$43,800	9,830,000	893,636

(b) Executive services contract – Mr Paul Bibby

The Company entered into an employment agreement with Mr Paul Bibby on 3 September 2020 but effective from 1 July 2019 (**MD Agreement**) pursuant to which he is engaged as a full-time employee of the Company in the role of Managing Director and Chief Executive Officer. Mr Bibby is responsible for overseeing the Company's Projects in Madagascar and in particular, coordinating and implementing the exploration of these Projects with input from other senior executive staff, and subject to the overall control and direction of the Board (**MD Services**).

The remuneration payable to Mr Bibby for the MD Services is \$250,000 exclusive of statutory superannuation (**Base Salary**). In addition to the Base Salary, the Company has granted Mr Bibby an annual performance bonus of up to 25% of the Base Salary during the exploration phase (**MD Bonus**), initially to a maximum of \$62,500, based on key performance measures (**KPMs**) agreed between the Company and Mr Bibby. If the KPMs are met, the Company will pay the MD Bonus within three months of the end of the relevant financial year. The MD Bonus is payable on a pro rata basis.

The MD Agreement is for an indefinite term, continuing until terminated in accordance with the MD Agreement. Either the Company or Mr Bibby may terminate the MD Agreement by giving 12 months' notice in writing to the other party. The Company may terminate the MD Agreement without notice in certain limited circumstances.

Mr Bibby is also subject to restrictions in relation to the ownership and use of confidential information and intellectual property during and after his employment with the Company ceases. The MD Agreement contains provisions considered standard for agreements of this nature.

(c) **Executive services contract- Mr John Madden**

The Company entered into an employment agreement with Mr John Madden on 3 September 2020 but effective from 1 July 2019 (**CFO Agreement**). Mr Madden is engaged by the Company full-time as Chief Financial Officer and Company Secretary and is responsible for the provision of company secretarial and financial management services (**Services**), reporting to the Managing Director and Chief Executive Officer.

The remuneration payable to Mr Madden for the Services is \$150,000 exclusive of superannuation (**Base Salary**). Mr Madden may also be paid an annual performance bonus of up to 20% of the Base Salary during the development phase (**CFO Bonus**), conditional upon KPMs agreed between the Company and Mr Madden. If the KPMs are met, the CFO Bonus will be paid within three months of the end of the relevant financial year. The CFO Bonus is payable on a pro rata basis.

The CFO Agreement commenced on 1 July 2019 for an indefinite term and may be terminated by either party giving 12 months' notice in writing. The Company may terminate the CFO Agreement without notice or prior warning in certain limited circumstances.

In addition, Mr Madden is subject to restrictions regarding the ownership and use of confidential information and intellectual property during and after his employment with the Company ceases. The CFO Agreement contains provisions considered standard for agreements of this nature.

(d) **Performance Rights- Mr Michael Stirzaker**

Pursuant to the letter of appointment for Mr Michael Stirzaker dated 20 August 2020, as varied on 9 October 2020, the Company appointed Mr Stirzaker to be Non-Executive Chairman of the Company. As part of Mr Stirzaker's remuneration, and as an addition to his cash based remuneration, the Company will issue 400,000 Performance Rights to Mr Stirzaker for nil consideration, subject to shareholder approval at the Company's next general meeting. The Performance Rights will be issued pursuant to the terms of the Long Term Incentive Plan which are summarised in Section 9.5 and on the terms set out in Section 9.6. The Performance Rights are subject to a vesting condition that Mr Stirzaker remain as the Chairman of the Company for a period of 2 years from his appointment.

(e) **Deeds of access, indemnity and insurance**

The Company has entered into a deed of indemnity, insurance and access with each of its Directors. Under these deeds, the Company agrees to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as result of the Director or the Company Secretary acting as an officer of the Company. The Company is also required to maintain insurance policies, to the extent permitted by law, for the benefit of the relevant Director and Company Secretary must also allow the officers to inspect board papers in certain circumstances.

(f) **Directors' interests in Shares and other securities**

The Directors are not required to hold any Shares in the Company under the Constitution. At the Prospectus Date the interest of each of the Directors in the Company held directly or indirectly is as follows:

Director	Shares	Performance Rights	Ownership at the Prospectus Date (%)
Mike Stirzaker	-	400,000 ¹	-
Paul Bibby	1,575,441 ²	-	4.00
John Madden	1,177,026 ³	-	2.99
Stephen Fabian	893,636 ⁴	-	2.27

Notes:

1. The issuance of the Performance Rights under the Long Term Incentive Plan will be subject to Shareholder approval the Company's next general meeting. Please refer to Sections 7.6(a) and 7.6(d) for the terms of Mr Michael Stirzaker's appointment as Non-Executive Chair and Section 9.5 for a summary of the material terms of the Company's Long Term Incentive Plan respectively.
2. Mr Bibby holds 1,389,760 Shares directly and 185,682 Shares indirectly through the P&J Bibby Pension Fund.
3. Mr Madden holds 662,344 Shares directly and 514,682 Shares indirectly through JM JW Super Fund.
4. Mr Fabian holds 711,818 Shares directly and 181,818 Shares indirectly through an associated entity, Rock Capital Partners Limited.

At Admission, the interest of each of the Directors in the Company held directly or indirectly is as follows:

Director	Shares	Performance Rights	Ownership at Admission (%) (Minimum Subscription)	Ownership at Admission (%) (Maximum Subscription)
Mike Stirzaker	200,000 ¹	400,000 ¹	0.36	0.34
Paul Bibby	1,775,441 ¹	-	3.20	2.99
John Madden	1,177,026	-	2.12	1.98
Stephen Fabian	893,636	-	1.61	1.50

Notes:

1. As at the Prospectus Date, Messrs Paul Bibby and Michael Stirzaker intend to subscribe for \$50,000 worth of New Shares under the Offer. None of the other Directors intend to subscribe for New Shares under the Offer.

7.7 Legal or disciplinary action

None of the Directors or Management have been involved in any material legal or disciplinary actions involving the Company, or any other company that the Director or Management were involved with, in the last 10 years.

Between 2011 and 2014 Paul Bibby was appointed as the Chief Executive Officer of two struggling listed companies with a mandate to try and achieve a turn-around solution.

Mr Bibby was appointed as Chief Executive Officer at Range River Gold in April 2011 to restructure and revive the company. It became evident in the first days that the financial and production performance of the company was insufficient to sustain the company and it was placed into administration within two weeks of Mr Bibby's appointment.

Mr Bibby was appointed as CEO of Cobar Consolidated Resources in April 2013 to revive and restructure the company which had not meet development and production targets. Despite all efforts and a fundraising of approximately \$7 million which was not completed due to the major shareholder withdrawing support, Cobar Consolidated Resources, the listed parent company, and its subsidiary companies Silver Corporation of Australia Pty Ltd, CCR De Nardi Pty Ltd, CCR Gundaroo Pty Ltd and CCR Bundoon Pty Ltd, were each placed into voluntary administration in March 2014. Mr Bibby was a director of each of the subsidiary companies (but not the parent company) from October 2013 until the companies were placed into voluntary administration.

7.8 Corporate governance

This Section explains how the Board will oversee the management of the Company's business. The Board is responsible for the overall corporate governance of the Company. The Board monitors the operational and financial position and performance of the Company and oversees its business strategy, including approving the strategic goals of the Company and considering and approving its annual business plan and the associated budget. The Board is committed to advancing its exploration efforts to generating appropriate level of Shareholder value and sustaining the success of the Company. In conducting the Company's business with these objectives, the Board seeks to ensure that the Company is properly managed to protect and enhance Shareholder interests and that the Company, its Directors, officers and personnel operate in an appropriate environment of corporate governance. Accordingly, the Board has developed and adopted a framework of corporate governance policies and practices, risk management practices and internal controls that it believes appropriate for the Company's business.

The Company is seeking a listing on the ASX. In order to promote investor confidence and to assist companies to meet stakeholder expectations, the ASX Corporate Governance Council has developed and released Corporate Governance Principles and Recommendations, now in its fourth edition (**ASX Recommendations**) for Australian listed entities. The ASX Recommendations are not mandatory or prescriptive unless the Listing Rules otherwise require, and the Board is entitled not to adopt a particular recommendation if it considers it inappropriate in the context of the business. However, under the Listing Rules the Company will be required to provide a corporate governance statement in its annual report (or by reference in its annual report to the URL of the page on its website where the statement can be viewed), disclosing the extent to which it has followed the ASX Recommendations within the reporting period. Where the Company does not follow a recommendation for any part of a reporting period, it must identify the recommendation and provide its reasons for not doing so and what (if any) alternative governance practices it adopted in lieu of the recommendation.

The following Sections below briefly address the areas where the Company has departed from the recommendations contained in the ASX Recommendations. The Board is of the view that with exception of the departures set out below, it otherwise expects to comply with all of the recommendations in the ASX Recommendations.

The Board has adopted the following suite of corporate governance policies which are available on the Company's website at <https://www.akoravy.com/>:

- (a) Board Charter
- (b) Code of Conduct
- (c) Audit and Risk Management Committee Charter
- (d) Remuneration Committee Charter
- (e) Securities Trading Policy
- (f) Continuous Disclosure Policy
- (g) Whistleblower Policy
- (h) Anti- bribery and corruption policy

Details of any departures from ASX Recommendations are set out below:

ASX Recommendation	Response
Recommendation 1 - Lay solid foundations for management and oversight	
<p>1.5 A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: <ul style="list-style-type: none"> (i) the measurable objectives set for that period to achieve gender diversity; (ii) the entity's progress towards achieving those objectives; and (iii) either: <ul style="list-style-type: none"> (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these 	<p>The Company does not have a diversity policy, as the Company only has two full time employees. The Company is committed to developing a workplace that promotes diversity. The Company's policy is to recruit and manage on the basis of competence and performance regardless of age, nationality, race, gender, religious beliefs, sexuality, physical ability or cultural background.</p>

ASX Recommendation	Response
<p>purposes); or</p> <p>(B) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.</p>	
<p>1.6 A listed entity should have and disclose a process for periodic evaluation of the board’s performance, its committees and individual directors and disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process.</p>	<p>Due to the size of the Board and the nature of its business, it has not been deemed necessary to institute a formal documented performance review programme of individuals. The Chairperson will conduct an informal review during the financial year whereby the performance of the Board as a whole and the individual contributions of each Director are discussed. The Board considers that at this stage of the Company’s development an informal process is appropriate.</p>
<p>1.7 A listed entity should have and disclose a process for evaluating the performance of senior executives at least once every reporting period and whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p>The Company is partly compliant with recommendation 1.7. The performance of Management will be evaluated on an annual basis. Due to the size of the Company and the nature of its business, it has not been deemed necessary to institute a formal documented performance review programme of senior executives. The Chairperson will conduct an informal review process whereby he discusses with the Managing Director and Chief Financial Officer the approach toward meeting the short and long term objectives of the Company. The Board considers that at this stage of the Company’s development an informal process is appropriate.</p>

Recommendation 2 – Structure the Board to be effective and add value

<p>2.1 The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, and disclose:</p> <p>(A) the charter of the committee;</p>	<p>The Company is not compliant with recommendation 2.1. The Company is not of relevant size to consider formation of a nomination committee to deal with the selection and appointment of new Directors and as such a nomination committee has not been formed. Nominations of new Directors are considered by the Board as a whole. If any vacancies arise on the Board, all Directors are involved in the search and recruitment of a</p>
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ASX Recommendation	Response
<p>(B) the members of the committee; and</p> <p>(C) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>replacement. The Board has taken a view that the Board as a whole will hold special meetings or sessions as required to ensure that nomination and succession are managed appropriately, to maintain the appropriate balance of skills, knowledge, experience, independence and diversity. The Board is confident that this process for selection, which includes undertaking appropriate checks before appointing a person and providing full details of all Directors to Shareholders in the annual report and on the Company's website is appropriate and stringent.</p>
<p>2.2A A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p>The Company is not compliant with recommendation 2.2. The Company is a small company with a small board. The Company notes it has directors who have finance and accounting experience, mining experience, ASX listed company experience and 2 non-executive independent directors.</p>
<p>2.4 A majority of the board of a listed entity should be independent directors.</p>	<p>The Company is not compliant with recommendation 2.4. 2 of the Directors are independent and the remaining 2 Directors are not independent. The Board, having regard to the Company's current stage of development and the collective experience and expertise of the Directors, considers the current composition of the Board appropriate and notes that the Chairperson, who holds a casting vote at Board meetings, is an independent, non-executive director. The Board considers that each Director adds significant value given their considerable skills and experience and brings objective and independent judgement to the Board.</p>

ASX Recommendation	Response
2.6 A listed entity should have a programme for inducting new Directors and for periodically reviewing whether there is a need for existing Directors to undertake professional development to maintain the skills and knowledge needed to perform their role as Directors effectively.	The Company is partially compliant with recommendation 2.6. The Company will induct and train new Directors and provide training to existing Directors as and when appropriate.

Recommendation 3 - Instil a culture of acting lawfully, ethically and responsibly

3.1 A listed entity should articulate and disclose its values.	The Company is not compliant with recommendation 3.1, however the Board, Directors, officers and employees are committed to acting honestly, ethically and with integrity, fairness and responsibility.
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Recommendation 4 - Safeguard the integrity of corporate reports

4.1 The board of a listed entity should:	The Company is partially compliant with recommendation 4.1. The Board has established a separate audit and risk committee. Having regard to the Company's size and circumstances as at the Prospectus Date, the committee members will be Mr Stirzaker and Mr Fabian. Both members are non-executive and independent. Mr Stirzaker will chair the committee. A copy of the audit and risk committee charter will be available on the Company's website. The committee intends to meet at least 2 times per year.
<p>(a) have an audit committee which:</p> <ul style="list-style-type: none"> (i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (ii) is chaired by an independent director, who is not the chair of the board, and disclose: (iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	

ASX Recommendation	Response
<p>4.2 The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its chief executive officer and chief financial officer a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>The Company is partly compliant with recommendation 4.2. The Board may approve the financial statements of the Company for a financial period before receiving a declaration from the Managing Director and Chief Executive Officer, Mr Paul Bibby and Chief Financial Officer, Mr John Madden that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company.</p>
<p>4.3 A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p>The Company is partially compliant with recommendation 4.3. All corporate reports released to the market by the Company will be reviewed by an external auditor.</p>

Recommendation 7 - Recognise and manage risk

<p>7.1 The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, and disclose:</p> <p>(A) the charter of the committee;</p> <p>(B) the members of the committee; and</p> <p>(C) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>The Company is partially compliant with recommendation 7.1. The Board has established a separate audit and risk committee. The committee members will be Mr Stirzaker and Mr Fabian who are independent, non-executive directors. The board has elected Mr Stirzaker as Chair due to his financial background and experience on audit and risk committees. A copy of the audit and risk committee charter will be available on the Company's website. The committee intends to meet at least 2 times per year.</p> <p>The Company has also adopted a risk management policy which is designed to assist the Company to identify, evaluate and mitigate risks. Regular internal communication between management and the Board supplements the risk management policy.</p>
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ASX Recommendation	Response
<p>7.2 The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>The Company is partially compliant with recommendation 7.2. The Company has established a risk management framework which is reviewed by the Board from time to time as considered appropriate in light of the current size of the Company.</p>
<p>7.3 A listed entity should disclose if it has an internal audit function, how the function is structured and what role it performs. If it does not have an internal audit function, the processes it employs for evaluating and improving the effectiveness of its governance, risk management and internal control processes.</p>	<p>The Company is partially compliant with recommendation 7.3. The Company has not established a separate internal audit function. The Board considers that the Company is not currently of a size, nor are its affairs of such complexity, to justify the formation of an internal audit function at this time. The Board as a whole regularly evaluates and improves the effectiveness of its risk management (refer above) and internal control processes.</p>
<p>7.4 A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	<p>The Company is of the view that it has adequately disclosed the nature of its operations and relevant information on exposure to economic, environmental and social sustainability risks. Other than general risks associated with the mineral exploration industry, the Company does not currently have material exposure to environmental and social sustainability risks.</p>

Recommendation 8 - Remunerate fairly and responsibly

<p>8.1 The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, and disclose:</p> <p>(A) the charter of the committee;</p> <p>(B) the members of the committee; and</p> <p>(C) as at the end of each reporting period, the number of times the committee met throughout the period and</p>	<p>The Company is partially compliant with recommendation 8.1. Due to the current size of the Company's operations and personnel, the Company's remuneration committee will comprise two members who are independent and non-executive Directors. Messrs Fabian and Stirzaker are members of the remuneration committee, with Mr Fabian also being the Chair of the committee.</p> <p>The remuneration committee may obtain external advice from independent consultants regarding the Company's remuneration practices, including remuneration</p>
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ASX Recommendation	Response
	the individual attendances of levels where this is considered the members at those appropriate meetings; or
(b)	if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

7.9 Committees and key policies

The most important policies and practices adopted by the Company are summarised below. In addition, many governance elements are contained in the Constitution. Details of the Company's key policies and the charters for the Board and each of its committees will be available from Admission at <https://www.akoravy.com/>.

7.10 Board appointment and composition

The Board considers a director to be independent if the director is a non-executive director and:

- (a) is not a substantial shareholder of the Company or otherwise materially associated, directly or indirectly, with a substantial shareholder of the Company;
- (b) has not been employed in an senior executive capacity by the Company or one of its controlled entities with the last three years, and did not become a director within the three years of being so employed;
- (c) within the last three years, has not been a professional advisor to the Company or any entity controlled by the Company either as:
 - (i) a principal; or
 - (ii) a material consultant.
- (d) is not a partner in or controlling shareholder, or senior executive officer, of a material supplier or customer of the Company or an entity controlled by the Company (being a supplier or customer that receives greater than \$150,000 from the Company for the purchase of goods and services) and is not otherwise associated, directly or indirectly, with such a supplier or customer;
- (e) has no material contractual relationship with the Company or any entity controlled by the Company other than as a director of the Company;
- (f) has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the ability of the director to act in the best interests of the Company;
- (g) is free from any interest and any business or other relationship which, could, or could reasonably be perceived to, materially interfere with the ability of the director to act in the best interests of the Company; and

- (h) neither the director nor any family member of the director has received compensation in excess of \$50,000 from the Group during the past year other than in direct connection with:
 - (i) the director fulfilling his role as a director;
 - (ii) previous employment with the Company or one of its controlled entities; or
 - (iii) owning or disposing of securities in the Company.

The Board will undertake an annual review of the extent to which each non-executive director is independent.

Whether the Board considers a non-executive director to be independent or not, and the reasons why the Board has concluded that a non-executive director is independent or not will be described in the corporate governance statement set out in the annual report of the Company.

The Company notes that two of its four members are independent non-executive directors, including the Chairperson who has the capacity to cast a deciding vote in the event of a deadlock at board level.

7.11 Board charter

The Board has adopted a written charter. The charter sets out:

- (a) the Board composition;
- (b) the Board's role and responsibilities;
- (c) the relationship and interaction between the Board and Management; and
- (d) the authority delegated by the Board to Management and Board committees.

The Board's role is to, among other things:

- (e) be responsible for setting the strategic goals, the oversight of the management of and direction of the business strategy of the Company with the ultimate aim being an increase in shareholder value.
- (f) carry out its principal function, the specific responsibilities of the Board include:
 - (i) providing strategic direction for, and approving, business strategies and objectives of the Company;
 - (ii) monitoring the operational and financial position and performance of the Company;
 - (iii) identifying the principal risks faced by the Company and taking reasonable steps designed to ensure that appropriate internal controls and monitoring systems are in place to manage and, to the extent possible, reduce the impact of these risks;
 - (iv) requiring that financial and other reporting mechanisms are put in place by the Managing Director which result in adequate, accurate and timely information being provided to the Board and shareholders of the Company and the financial markets as a whole being fully informed of all material developments relating to the Company;

- (v) appointing and, where appropriate, removing the Managing Director, approving other key senior executive appointments and planning for senior executive succession;
- (vi) overseeing and evaluating the performance of the Managing Director and other senior executives, having regard to the business strategies and objectives of the Company;
- (vii) reviewing and approving remuneration for the Managing Directors and all other executive officers of the Company;
- (viii) approving action plans and budgets of the Company, monitoring the management of capital expenditure and acquisitions or divestments of exploration properties;
- (ix) establishing procedures to ensure that financial results are appropriately and accurately reported on a timely basis in accordance with all legal and regulatory requirements;
- (x) adopting appropriate procedures to ensure compliance with all laws, governmental regulations and accounting standards;
- (xi) approving, and reviewing from time to time, the internal compliance procedures of the Company, including any codes of conduct and taking all reasonable steps to ensure that the business of the Company is conducted in an open and ethical manner; and
- (xii) reviewing and, to the extent necessary, amending the Board and any Committee charters every three years.

The management function is conducted by, or under the supervision of, the Board. Management must supply the Board information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. The Board collectively, and any individual Director, may seek independent professional advice at the Company's expense, subject to the reasonable approval of the Chairperson and the advice being made available to the Board as a whole.

7.12 Board committees

The Board may from time to time establish committees to assist in the discharge of its responsibilities. The Board has established the Audit and Risk Management Committee and the Remuneration Committee, see Section 7.8. Membership of Board committees will be based on the needs of the Company, relevant legislation, regulatory and other requirements, and the skills and experience of Board members.

8. Risk factors

There are numerous risk factors involved with the Company's business. Offer Securities offered pursuant to this Prospectus should be considered highly speculative. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some risks are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return or capital or the price at which the securities will trade.

The following summary, which is not exhaustive, represents some of the major risk factors of which investors need to be aware. Investors should examine the contents of this

Prospectus in its entirety and consult their professional advisers before deciding whether to apply for the Offer Securities.

8.1 Specific risk factors

(a) Pandemic - COVID-19

Due to the current COVID-19 pandemic the global economy is facing uncertainty which may continue to impact capital markets and share prices for some time. Also, measures to restrict movement to limit the spread of the virus by governments around the world, including travel bans and periods of quarantine, may adversely impact the Company's plans for the Projects.

Madagascar, being the world's fourth largest island, has had some natural protection to limit the spread of COVID-19 from external sources. Internally, the government promptly put in place curfews and travel restrictions between main cities to minimize the spread of the virus. While difficult for the community and the economy these actions over recent months have been successful with the number of new cases and unfortunate deaths both reducing to the point where on 23 August 2020 the government announced phased easing of the restrictions. During this previous period of government enforced restrictions special permits were able to be approved which has enabled mining companies to continue their exploration activities.

A future wave of COVID-19 restrictions and curfews impacting work hours and domestic travel would adversely impact the Company and its preferred contractors and its ability to undertake exploration activities at site within the planned timeframe. Similarly, the lockdown restrictions may cause delays to gaining approvals for mining permits and environmental licences from the authorised government agencies.

For the duration of COVID-19, work practices will be documented and enforced to ensure the Company's employees, contractors and the local communities it works with are adopting practical personal protection to avoid transmission of the virus. If further restrictions are imposed in the future, the Company will explore options to enable its employees and contractors to travel to, and work, at exploration sites safely and will conduct work plans with the support of government and local communities.

(b) Exploration and development

The future value of the Company will depend on its ability to find and develop resources that are economically recoverable. Mineral exploration and development is a speculative undertaking that may be impeded by circumstances and factors beyond the control of the Company. Success in this process involves, among other things; discovery and proving-up an economically recoverable resource or reserve, access to adequate capital throughout the project development phases, securing and maintaining title to mineral exploration projects, obtaining required development consents and approvals and accessing the necessary experienced operational staff, the financial management, skilled contractors, consultants and employees.

The Company is entirely dependent upon the Projects, which are the sole potential source of future revenue, and any adverse development affecting these projects would have a material adverse effect on the Group, its business, prospects, results of operations and financial condition.

(c) Resource and Reserve estimates risk

Whilst the Company intends to undertake exploration activities with the aim of defining a mineral resource, no assurances can be given that the exploration will result in the determination of a resource. Even if a resource is identified, no assurance can be provided that this can be economically extracted. Resource and reserve estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when initially calculated may alter when new information or techniques become available.

As stated in the Independent Geologist's Executive Summary in the IGR on page 5, Wardell Armstrong is of the opinion that the Projects have demonstrated the presence of iron and the potential exists for Mineral Resources to be identified and developed, however, this potential cannot be easily quantified to the level of confidence required for the reporting of a Mineral Resource estimate under the JORC Code. Investors should note that there is currently insufficient data available for an Ore Reserve or a Mineral Resource, as defined under the JORC Code, to be declared at the Projects.

The Board believes that additional exploration work, particularly drilling, will be required to enable a resource estimate to be defined. Unexpected exploration outcomes could affect the Company's exploration plans which in turn may affect the Company's performance.

(d) Cline Mining risk

The Group owns 75% of the shares in IOCM outright. The Group entered into a Deed of Settlement with Cline Mining Corporation on 25 July 2020 and a First Variation of the Deed of Settlement on 5 August 2020 (together, **Deed of Settlement**).

Under the Deed of Settlement, the Group acquired the rights to the remaining 25% of the uncertificated shares held by Cline Mining in IOCM and as a result increasing its beneficial interest to 100%. The Deed of Settlement required the Group to secure full registration of the transfer of these shares by Malagasy authorities prior to the issue of shares in the Company as consideration for the acquisition of the 25% shareholding in IOCM held by Cline Mining.

The timeframe for completion of the transfer of the shares is an intensive administrative process and is not within the control of the Group as it is required to prepare and submit various documents, in original form, and in French to Malagasy authorities. The parties agreed to an early settlement process under the Deed of Settlement which requires Cline Mining to complete certain tasks so that the Group can lodge the documentation in Madagascar for the transfer of shares and, on agreeing to these tasks, the Company (as the parent entity) would issue shares to Cline Mining. The Company issued 10,796,411 (pre consolidation) Shares to Cline Mining on 6 August 2020. Pending the transfer, Cline Mining holds the 25% interest in the IOCM shares on trust for its wholly owned subsidiary Malagasy Holdings, and as a result Malagasy Holdings holds the beneficial interest in those shares.

If Cline does not complete the specified tasks set out in the Deed of Settlement the Company has the right to buyback the Shares issued to Cline Mining for \$1 and to put to shareholders a resolution to cancel the Shares issued to Cline Mining.

The Board acknowledges there is risk that the time taken to have documents executed in three countries - Australia, Canada and Madagascar – will take longer than expected in this COVID environment and that Cline Mining may not fulfil its obligations in a timely manner; however, the Board believes these risks are minor

and note that in any event the 25% interest in IOCM is held on trust for Malagasy Holdings.

(e) Ambodilafa Permits risk

The arrangements between the Company and Jubilee in the Ambodilafa Farm-in Agreement in respect of the Ambodilafa Permits are subject to complex legal documentation.

A summary of the terms of the Ambodilafa Farm-in Agreement are described in Section 9.1(b). Prospective investors should read this section carefully.

The Company's clear view is that it has:

- (i) a 90% beneficial interest in the Commodities (which include prospective iron ore commodities) as described in Section 9.1(b); and
- (ii) a 100% beneficial interest in the Other Commodities as described in Section 9.1(b) subject to the farm back in rights of Jubilee.

In public statements contained in annual reports, Jubilee acknowledged the Company's 90% beneficial interest in the Commodities however has stated that it continues to seek potential investors for the farm-in or purchase of the exploration right of MRM, with specific reference to the nickel values of Ambodilafa, nickel being an "Other Commodity".

Practically speaking, the mechanisms for converting these beneficial interests into legal interests will be difficult to implement. As a result the parties will need to agree on how this is to be effected. Under the Ambodilafa Farm-in Agreement, the parties are required to execute all documents and do all things reasonably necessary to give effect to the arrangements. If there is a dispute as to the mechanism to convert these beneficial interests into legal interests the Company may need to take court action to do so. Outcomes in litigation can be uncertain.

(f) Title and Permit Risk

Whilst the Company is satisfied that it has taken reasonable measures to ensure an unencumbered right to explore its licence areas in Madagascar, they are subject to greater risks than more developed markets, including significant legal, economic and political risks.

Most of the Permits are in the process of being renewed. Due to the moratorium caused by the political crisis that affected Madagascar between 2009-2013, the BCMM has only been operating a limited service largely limited to collection of annual fees in respect of mining permits. Since October 2016 the BCMM began accepting and processing applications for renewals of mining permits. Given the considerable general backlog of applications no firm date for issue of any renewed permits is being given by the BCMM. Whilst the Company believes the renewed Permits will be issued in the coming months, as it has paid or tendered all relevant annual renewal fees, if for any reason the BCMM refused to renew the relevant Permits the Company would no longer have any exploration rights to such Permits and this would have a material adverse effect on the Company's business, results of operations and financial condition as the Permits which are under renewal are material in the context of the Company's operations as a whole. These issues are not particular to the Company and impact on the majority of tenement holders.

The Company's rights to the 3757 Permit (which forms part of the Bekisopa Project), the Tratramarina West Permits (which together form part of the Tratramarina Project) and the Ambodilafa Permits (which together form the

Ambodilafa Project) are contractual, i.e. a counterparty holds the legal title to the relevant Permit and the Company derives its rights to such Permits through a contractual arrangement with the legal owner. If there was ever any dispute as to the relevant contractual terms between the Company and the legal owner, enforcement of title to the relevant Permits may therefore involve having to enforce contractual arrangements through the relevant courts which could be time consuming and incur greater costs than if the relevant Permits were held directly by the Group, however the Group's contractual rights to the 3757 Permit, the Tratramarina West Permits and the Ambodilafa Permits are not material compared to its operations as a whole.

The 3757 Permit and the Tratramarina West Permits are in the form of PREs which may only be held by Malagasy nationals but which may be transformed into PRs on request to the BCMM.

The Group holds all beneficial rights and the right to be registered as the legal holder of these PRE Permits. The BCMM has recently commenced the process of addressing the renewal, transformation and transfer of permits that were subject to a moratorium from 2008 to 2014. The Company does not know when the BCMM will complete this process and therefore cannot say when it will be the registered holder of those PRE Permits. Pending registration of as the legal owner of such Permits, the Company will continue to be able to exercise its contractual rights.

(g) Accessing Tenement Areas

The final stages of road access to the Projects is via dirt roads and requires crossing seasonal rivers and minor creeks. The Company's focus is firstly on the Bekisopa Project and then the Tratramarina Project, both which are accessible from the capital Antananarivo by National Highway RN7 towards Bekisopa and via RN2 and then RN11a to Tratramarina. The last 80 kilometers to the Bekisopa Project site from RN7 is along a dirt road that is readily drivable by four-wheel drive vehicles and larger trucks and rigs required for advancing the exploration program in the dry season. Similarly, the last 30 kilometers from the RN11a to the Tratramarina Project site is accessible by four-wheel drive vehicles. The access to both of these relatively remote sites requires river and creek crossings which can be inaccessible in the wet season or after flooding rains.

Because of the inability to cross the rivers and creeks during the December to March wet season all site exploration activities will be performed during the eight-month dry season from April through to late November. Exploration work programs can be sensibly completed during the dry season, when access issues are not problematic, and December through March can be used to analyse results and plan for the next phases of exploration activities.

In coming years, as the Projects progress, consideration will need to be given to periodic road grading and repairs and to evaluate constructing suitable river and creek crossings to provide year access.

(h) Future funding needs risk

The funds raised under the Offer are considered sufficient to meet the immediate objectives of the Company for the two-year period following Completion. Further funding may be required by the Company in the event costs exceed estimates, to support its ongoing operations and implement its strategies. For example, funding may be needed to undertake further exploration activities, or acquire complementary assets. Accordingly, the Company may need to engage in equity or debt financings to secure additional funds. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the Offer Price or may involve restrictive covenants that limit the Company's operations or business

strategy. There can be no assurance that such funding will be available on satisfactory terms or at all at the relevant time. Any inability to obtain sufficient financing for the Company's activities and future projects may result in the delay or cancellation of certain activities or projects, which would likely adversely affect the potential growth of the Company.

(i) Legal system

Madagascar has a less developed legal system than more established economies which could result in risks such as:

- (i) effective legal redress in the Malagasy courts, whether in respect of a breach of law or regulation, or in an ownership dispute, being more difficult to obtain;
- (ii) a higher degree of discretion on the part of Governmental authorities who may be susceptible to corruption;
- (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations;
- (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or
- (v) relative inexperience of the judiciary and courts in such matters. The commitment of local business people, Government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to the Group's licences and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed.

There can be no assurance that property title, joint ventures, licences, licence applications or other legal arrangements will not be adversely affected by the actions of Government authorities or others and the effectiveness of and enforcement of such arrangements in these jurisdictions cannot be assured.

(j) Reliance on key personnel

The Company's success is to a large extent dependent upon the retention of key personnel. There is no assurance that engagement contracts for members of the senior management team personnel will not be terminated or will be renewed on their expiry. If such contracts were terminated, or if members of the senior management team were otherwise no longer able to continue in their role, the Company would need to replace them which may not be possible if suitable candidates are not available. Furthermore, there is no guarantee the Company is able to attract, train and retain key individuals and other highly skilled employees and consultants. As a result, the Company's operations and financial performance would likely be adversely affected. There is no key person insurance policy in place, meaning that if a key employee were to cease employment, the Company may not be able to find a replacement at a reasonable cost.

(k) Unforeseen expenditure risk

Expenditure may need to be incurred that has not been taken into account in this Prospectus. Although the Company is not currently aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company and its proposed business plans.

(l) Environmental legislation and regulations risk

The Company's proposed operations will be subject to laws and regulations relating to the environment. As with most exploration projects and mining operations, the Company's proposed operations are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Group's exploration and future mining activities are dependent upon maintaining appropriate licences, permits, rights and regulatory consents which may be granted for a defined period of time, not be granted, be withdrawn subject to a regulatory process, or be subject to statutory restrictions. The Group may require additional licences, permits, rights and regulatory consents for the conduct of any mining operations. There can be no assurance that such rights will be granted or renewed (as the case may be) in the future or as to the terms of such grants or renewals.

Mining companies operating in Madagascar are subject to environmental laws and regulations with respect to environmental matters such as; limitations on land use, prospecting and mining rights requirements, reclamation and restoration of mining properties after mining is completed, the storage, treatment and disposal of wastes, remediation of contaminated soil and groundwater, use, storage and transportation of explosives, air quality standards, transport of ore and the protection of human health, plant life and wildlife, including endangered or threatened species.

In relation to the Company's proposed operations, issues could arise from time to time with respect to abandonment costs, consequential clean-up costs, environmental concerns and other liabilities. In these instances, the Company could become subject to liability if, for example, there is environmental pollution or damage from the Company's exploration activities and there are consequential clean-up costs at a later point in time.

The costs associated with these laws and regulations, and possible future laws and regulation and/or changes to existing laws and regulations (including the imposition of higher taxes and mining royalties), could cause additional expense and capital expenditures. It could also cause restrictions on or suspension of the Group's operations and delays in further development at the Projects or other future mining assets. Moreover, these laws and regulations may allow governmental authorities and private parties who have a substantial and direct interest in the mining operations or the consequences of the mining operations to bring lawsuits based upon damages to property and injury to persons resulting from the environmental and health and safety impacts of the Group's past and current operations. This could lead to the imposition of fines, penalties or other civil or criminal sanctions, including personal sanctions for directors. If the Group's environmental compliance obligations in Madagascar were to vary as a result of changes to the legislation, or if certain assumptions it makes to estimate liabilities are incorrect, or if unanticipated conditions were to arise in its operations, the Group's expenses and provisions could increase, which could adversely affect the Group's business, financial condition and results of operations.

(m) Regulatory, political, economic and social risks

Currently, all the Company's exploration activities occur in Madagascar which has from time to time experienced political instability. The Company may be affected by possible political or economic instability and the related risks, including, among other things, security concerns, labour disputes, government policy with respect to mining, labour, monetary and fiscal issues, fluctuations in currency exchange rates and high rates of inflation.

Changes to government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, nationalisation of assets, maintenance of claims, environmental legislation, land use, land claims, water use and mine safety, or a combination of any of these factors could materially and adversely affect the Company's business, financial condition and results of operations.

Madagascar is largely dependent on aid donors such as the European community and the US for funding human development programmes and infrastructure. The international community has welcomed the progress made by Madagascar, however, if aid is withdrawn it could affect Company's operations. Possible disruptions to operations at the Projects by members of the local community or from Non-governmental organisations opposed to mining, development or foreign investment may attempt to disrupt or halt the Company's exploration activities.

There can be no assurance that the Group will be able to obtain or maintain effective security of any of the Company's assets or personnel in Madagascar or any future region or country in which it operates. If the Group is unable to maintain effective security over its assets or personnel, this could have a material adverse effect on the Company's business. In addition, the possible threat of criminal actions against the Group, in particular at its sites, facilities or on third party infrastructure, could have a material adverse effect on the Group's ability to generate revenue or adequately staff its operations, or could materially increase the cost of doing so.

Notwithstanding the efforts taken by the Company to build good relations with the local community, there can be no assurance that relations will not deteriorate in the future. It is possible that the local community may object to the progress of the Company's initiatives or the continued operations at the Projects, or that they may have other unaddressed grievances and this in turn could lead to disruption of the Company's operations. Such disruption could materially and adversely affect the Company's business.

(n) Investments in developing countries are generally subject to increased risk

Investors in the securities of issuers who are conducting business in developing countries such as Madagascar should be aware that these investments are generally subject to greater risk than investments in the securities of issuers from more developed countries and carry risks that are not typically associated with investing in more mature markets. These risks include, but are not limited to, greater political risk, budget deficits, lack of adequate infrastructure necessary to sustain economic growth and changes in the political and economic environment.

In addition, international investors' reactions to events occurring in one emerging market, country or region sometimes appear to demonstrate a 'contagion' effect, in which an entire region or class of investment is disfavoured by such investors. If such an effect occurs, Madagascar could be adversely affected by negative economic or financial developments in other emerging market countries.

Investors should also note Madagascar's economy, like those of other developing countries are subject to rapid change and that the information set out in the Prospectus may become outdated relatively quickly. Accordingly, prospective investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light of those risks, their investment is appropriate. Prospective investors are urged to consult their own legal and financial advisers before making an investment decision.

(o) Grant of future authorisations to explore and mine

If the Company discovers an economically viable mineral deposit that it then intends to develop, it will, among other things, require various approvals, licences and permits before it will be able to mine the deposit. There is no guarantee that the Company will be able to obtain all required approvals, licences and permits. To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected.

(p) Litigation risk

The Company may in the ordinary course of business become involved in litigation and disputes, for example with service providers, customers or third parties infringing the Company's Projects. Any such litigation or dispute could involve significant economic costs and damage to relationships with contractors, customers or other stakeholders. Such outcomes may have an adverse impact on the Company's business, reputation and financial performance. As at the Prospectus Date, the Company is not involved in, and the Board is not aware of any potential, litigation claims or proceedings.

(q) Safety

Safety is a risk for any exploration company in regards to personal injury, damage to property and equipment and other losses. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage or destruction of property, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.

(r) Agents and contractors risk

The Company intends to outsource substantial parts of its exploration activities pursuant to services contracts with third party contractors. The Company is in the process of considering and entering into smaller components of work and contracts with recognised in country expertise and contractors. The Board are unable to predict the risk of financial failure or default or the insolvency of any of the contractors that will be used by the Company in any of its activities or other managerial failure by any of the other service providers used by the Company for any activity. Contractors may also underperform their obligations under a contract, and in the event that their contract is terminated, the Company may not be able to find a suitable replacement on satisfactory terms.

(s) Bribery, Fraud and Corruption risks

In certain jurisdictions, fraud, bribery and corruption are more common than in others. In addition, the mining industry has, historically, been shown to be vulnerable to corrupt or unethical practices. The Company operates in Madagascar which has been allocated a low (i.e. less favourable) score on Transparency International's "Corruption Perceptions Index". The Company adopted a formal Bribery, Fraud and Corruption Policy in August 2011 which applies to all directors, officers, employees, consultants and contractors that work with the Company across its operations. The policy seeks to ensure that the Company operates in an ethical and transparent manner in all business dealings and that the Company has a mechanism for staff to alert management should any issues or incidents occur. The Company will continue to review its anti-corruption procedures to ensure that they are sufficiently robust to prevent corruption and to mitigate the risk of any member of the Group committing an offence under applicable bribery legislation.

Whilst no members of the Group or Directors have been subject to fraud, bribery or corruption proceedings, there can be no guarantee that the employees and contractors engaged by the Group or its other associates will abide by these procedures and as such the Group, its Directors and employees of the Group could be exposed to criticism or prosecution under anti-bribery or similar legislation which could have a material adverse effect on its results of operations and financial condition.

(t) Sovereign and political risks

The mining industry in Madagascar is in its early stages and is not as developed as other, more established jurisdictions in which the Company's competitors operate. As such, Madagascar currently has limited resources, infrastructure and experience to support mining operations. However, these have been growing with the development and operation of two significant projects involving Rio Tinto and Sumitomo. Further there is no material history of mining operations in Madagascar meaning that there is limited "in-country" experience available and that the Group will need to both develop and train workers and supply sufficiently qualified workers to develop the Projects. Further, due to the lack of historical mining operations in Madagascar, the legislative and regulatory framework (and application and interpretation thereof) under which the Group operates is largely untested both by operators but also the government, relevant ministries and regulatory bodies that regulate such operations and, consequently, may be subject to further development, amendment, interpretation, litigation or change in a relatively short space of time and such changes may have an adverse effect on the Group's activities, in particular as a result of the Group's reliance on the Projects and status as an early stage exploration company which will be wholly exposed to such changes.

(u) Acquisition risks

The Company may make acquisitions of, or significant investments in, companies or assets that are complementary to its business. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies or assets, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving mineral exploration success and retaining key staff.

(v) Results of studies risk

Subject to the results of exploration and testing programmes to be undertaken, the Company may progressively undertake several studies in respect to the Projects. These studies may include mineral processing, scoping and pre-feasibility. These studies will be completed within parameters designed to determine the economic feasibility of the Projects within certain limits. There can be no guarantee that any of the studies will confirm the economic viability of the Projects or the results of other studies undertaken by the Company (e.g. the results of a feasibility study may materially differ to the results of a scoping study). Even if a study confirms the economic viability of the Projects, there can be no guarantee that the project will be successfully brought into production as assumed or within the estimated parameters in the feasibility study (e.g. operational costs and commodity prices) once production commences. Further, the ability of the Company to complete a study may be dependent on the Company's ability to raise further funds to complete the study if required.

(w) Future profitability risk

The Company is in the early stage exploration at this time. The Company's performance will be impacted by, among other things, the success of its

exploration and mining activities, economic conditions in the markets in which it operates, competition factors and any regulatory developments. Accordingly, the extent of future profits (if any) and the time required to achieve sustained profitability are uncertain and cannot be reliably predicted.

(x) Operational risks

The operations of the Company may be affected by various factors, including; failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, insufficient or unreliable infrastructure, such as power, water and transport, difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs; and adverse weather conditions.

In the event that any of these potential risks eventuate, the Company's operational and financial performance may be adversely affected.

(y) Climate change and regulation risk

Mining of mineral resources is relatively energy intensive and is dependent on the consumption of fossil fuels. Increased regulation and government policy designed to mitigate climate change may adversely affect the Company's cost of operations and adversely impact the financial performance of the Company. Transition risks may pose varying levels of financial and reputational risk to the Company. Furthermore, the physical risks to the Company resulting from climate change can be event driven (acute) or longer term shifts (chronic) in climate patterns. These physical risks may have financial implications for the Company, such as direct damage to assets and indirect impacts from supply chain disruption.

(z) Commodity prices and exchange rates risk

The value of the Company's assets and potential earnings may be affected by fluctuations in commodity prices and exchange rates, such as the USD and AUD denominated iron ore prices (among other commodities) and the AUD / USD exchange rate. These prices can significantly fluctuate and are exposed to numerous factors beyond the control of the Company such as world demand for precious and other metals, forward selling by producers, and production cost levels in major metal producing regions. Other factors include expectations regarding inflation, the financial impact of movements in interest rates, commodity price forward curves, global economic trends, and domestic and international fiscal, monetary and regulatory policy settings. In the event the Company achieves exploration success leading to viable mining production, the Company's financial performance will be highly dependent on commodity prices and exchange rates.

(aa) Terrorist attack

Terrorist attack or other sustained armed conflicts, terrorist activities, anti-terrorist efforts or other armed conflict involving Australia or Madagascar and their economies could cause political instability and societal disruption could reduce overall demand for minerals potentially putting downward pressure on prevailing minerals prices and adversely affect the Company's activities.

8.2 General risk factors

(a) Share market conditions

There can be no guarantee that an active market in the Shares will develop or that the price of the Shares will increase. There may be relatively few buyers or sellers

of the Shares on the ASX at any given time. The market price of the Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource stocks in particular. These factors may materially affect the market price of the Shares, regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(b) Economic risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities. If activities cannot be funded, there is a risk that tenements may have to be surrendered or not renewed. General economic conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as: general economic outlook; interest rates and inflation rates; currency fluctuations; changes in investor sentiment toward particular market sectors; the demand for, and supply of, capital; pandemics and terrorism or other hostilities.

(c) Change in regulation

Any material adverse changes in government policies, legislation or shifts in political attitude in Australia, Madagascar or any other jurisdiction in which the Company operates in the future, that affect mineral mining and exploration activities, tax laws, carbon markets, royalty regulations, government subsidies and environmental issues may affect the viability of a Project or the Company.

No assurance can be given that amendments to current laws and regulations or new rules and regulations will not be enacted, or that existing rules and regulations will not be applied in a manner which could substantially limit or affect the Company's planned and future activities.

(d) Accounting

Changes to any applicable accounting standards or to any assumptions, estimates or judgments applied by management in connection with complex accounting matters may adversely impact the Company's financial statements, results or condition.

(e) Taxation

The acquisition and disposal of Shares will have tax consequences which will differ for each investor depending on their individual financial circumstances. All potential investors in the Company are urged to obtain independent financial advice regarding the tax and other consequences of acquiring Shares. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to any tax consequences of applying for Offer Securities under this Prospectus.

(f) Legal proceedings and activism

Legal proceedings or disruption from interest groups may arise from time to time in the course of the business of the Company. Legal proceedings brought by third parties including but not limited to customers, business partners, lobbyists or employees could negatively impact the business, including where protestors block access and cause disruption to operations.

(g) Insurance

The business of the Company is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as extreme weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties, buildings, personal injury or death, environmental damage to properties of the Company or others, delays in mining, monetary losses and possible legal liability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms.

The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. In addition, there is a risk that an insurer defaults in the payment of a legitimate claim by the Company.

9. Additional information

9.1 Material contracts

Below is a summary of the material contracts that the Company has entered into.

(a) Lead Manager Mandate

The Company entered into a lead manager mandate with the Lead Manager on 4 November 2020 (**Mandate**) to act as the corporate adviser and lead manager to the Offer.

Pursuant to the Mandate, the Lead Manager will provide financial advice and assistance that is customary of a lead manager or corporate adviser, including but not limited to:

- (i) attracting potential new investors to the Company and encouraging them to participate in the Offer;
 - (ii) in conjunction with the Company, preparing and circulating marketing or presentation materials or disclosure documents to potential investors;
 - (iii) attending due diligence meetings;
 - (iv) managing transaction completion and settlement; and
 - (v) assisting with the drafting of the prospectus,
- (together, **Services**).

In consideration for providing the Services, the Company will pay the Lead Manager the following fees:

- (i) a retainer fee of \$10,000 (plus GST) payable on the date of execution of the Mandate;

- (ii) a retainer fee of \$10,000 (plus GST) payable on 1 July 2020;
- (iii) a fee of 1% of capital raised from the agreed number of investors that the Company had existing relationships with prior to entering into the Mandate; and
- (iv) a fee of 7% of all funds raised from investors that have been introduced and managed by the Lead Manager (**Manager Investors**); and
- (v) upon completion of the Offer the Company will issue the Lead Manager:
 - (A) 1 Attaching Option for every 8 New Shares issued to Manager Investors on the terms set out in Section 9.4; and
 - (B) 200,000 Shares, subject to at least \$2,000,000 being raised from Manager Investors,
 (together, **Fees**).

The Lead Manager will be responsible for paying all brokerage fees to intermediaries/brokers. In addition to the Fees, the Company will pay the Lead Manager its standard professional fees for services provided outside the scope of agreed Services unless otherwise agreed in writing by the parties and will reimburse the Lead Manager for reasonable costs and expenses it incurs.

The Mandate may be terminated with or without cause by either party by written notice of at least 14 days at any time without continuing obligation (save for the accrued rights and liabilities and conflicts of interest and indemnity/liability provisions which survive termination). In the event that the Company terminates the Mandate without cause or the Lead Manager terminates the Mandate with cause, the Lead Manager's right to the Fees will survive and remain in full force and effect for another 12 months from the termination date.

(b) Jubilee Farm In Agreement

Commodities

Jubilee is the ultimate holding company of MRM which is the holder of the Ambodilafa Permits. The Company entered into the Ambodilafa Farm-in Agreement with Jubilee on 21 August 2012 (**Ambodilafa Farm-in Agreement**) to acquire the sole and exclusive right to explore for certain commodities (all commodities other than platinum group elements, metals traded on the London Metals Exchange and chrome), which include prospective iron ore commodities (**Commodities**) in the area of the Ambodilafa Permits.

The Ambodilafa Farm-in Agreement provides for three exploration stages for Commodities: Company Stage 1 Exploration Programme, Company Stage 2 Exploration Programme and Company Stage 3 Exploration Programme. The Company has completed the Company Stage 1 Exploration Programme, Company Stage 2 Exploration Programme and Company Stage 3 Exploration Programme and has acquired a 90% equity interest in the Commodities.

If Jubilee does not elect to contribute to exploration for the Commodities and the Company wishes to continue to undertake exploration for the Commodities, Jubilee will ensure that MRM sells its 10% remaining interest in the Commodities to the Company for (at the Company's election):

- (i) US\$1,500,000 in cash; or

- (ii) the equivalent of US\$1,500,000 in fully paid Shares of the Company; or
- (iii) a 1.5% net sales royalty.

The Company has indicated to Jubilee that it wishes to take up the remaining 10% interest by payment of the 1.5% net sales royalty referred to above. Jubilee has not indicated any interest in retaining its 10% interest in the Commodities at this time.

If the Company acquires the remaining 10% in the future, the acquisition will be by way of:

- (i) partitioning the Ambodilafa Permits in such a manner so that the area containing the Commodities that the Company wishes to advance to feasibility, development, mining or treatment stage can be secured through the issue by the appropriate authority on a separate and discrete research permit;
- (ii) the transfer of one or more of existing Ambodilafa Permits;
- (iii) or the transfer of all shares in the share capital of MRM to the Company at the election of Jubilee.

Other Commodities

If during the course of the agreement the Company makes an ore discovery relating to platinum group elements, metals traded on the London Metals Exchange and chrome (**Other Commodities**) on the Ambodilafa Permits, Jubilee will only be entitled to acquire up to 90% equity in such commodities through undertaking expenditure in stages on the exploration programmes.

The agreement provides for three exploration stages for the Other Commodities: Jubilee Stage 1 Exploration Programme, Jubilee Stage 2 Exploration Programme and Jubilee Stage 3 Exploration Programme. The Company has confirmed that at this stage Jubilee has not completed the Jubilee Stage 1 Exploration Programme, Jubilee Stage 2 Exploration Programme Company or Jubilee 3 Exploration Programme and has therefore not acquired any interest in the Other Commodities in the Ambodilafa Permits. Jubilee would need to expend:

- during the Jubilee Stage 1 Exploration Programme, where Jubilee contributes USD1 million to exploration expenditure it will earn a 51% interest in the Other Commodities. If Jubilee elects not to contribute it will be entitled to a 1% net smelter return royalty on the Other Commodities only. If the Company contributes to exploration expenditure at this stage it will retain its 49% interest. If the Company does not contribute to exploration expenditure at this stage it will have no interest in the Other Commodities;
- During the Jubilee Stage 2 Exploration Programme, where Jubilee contributes a further USD1 million to exploration expenditure it will earn an 81% interest in the Other Commodities. If Jubilee elects not to contribute it will be entitled to a 1.5% net smelter return royalty on the Other Commodities only. If the Company contributes to exploration expenditure at this stage it will retain its 19% interest. If the Company does not contribute to exploration expenditure at this stage it will have no interest in the Other Commodities.
- During the Jubilee Stage 3 Exploration Programme, where Jubilee contributes a further USD1 million to exploration expenditure it will earn an 90% interest in the Other Commodities. If Jubilee elects not to contribute it will be entitled to a 2% net smelter return royalty on the Other Commodities only.

If Jubilee undertakes exploration on the Other Commodities and the Company does not take up its equity interest and fund its equity interest under the Jubilee Stage 1, Stage 2 and Stage 3 Exploration Programmes, Jubilee will be entitled to acquire an interest in the residual 10% of the Other Commodities, it may do so by providing to the Company:

- (i) US\$1,500,000 in cash; or
- (ii) the equivalent of US\$1,500,000 in fully paid ordinary shares of Jubilee; or
- (iii) a 1.5% "Net Smelter Return Royalty".

Jubilee has indicated that it is seeking potential investors for the farm-in or purchase of the exploration rights of MRM, with specific reference to the nickel values of Ambodilafa, nickel being an "Other Commodity". If a farm in is to occur, the Company will have the rights to farm back in as described above.

(c) Cline Mining - Share Sale Agreement

By share sale agreement dated 13 June 2014 Malagasy Holdings (Bekisopa) Limited (**MHBL**), a then subsidiary of the Company, purchased 75% of the shares on issue in Iron Ore Corporation of Madagascar sarl (**IOCM**), the owner of the Bekisopa tenements from Cline Mining for USD200,000. USD25,000 was paid on the date of the agreement and the second instalment of USD175,000 was to be paid on the third anniversary of the date of the agreement (**Second Instalment**). Subsequently, IPR Services Pty Ltd replaced MHBL as buyer and was renamed Malagasy Holdings (Bekisopa) Pty Ltd (**MHBPL**).

A number of variations to the arrangements occurred including deferral of the obligation to pay the Second Instalment and by deed of variation dated 22 October 2016, the Company as parent entity of the buyer agreed to issue USD75,000 worth of shares as further consideration to the seller, USD50,000 of which was to be issued at the listing price of the shares on an exchange when that occurred, and a further USD25,000 worth which would be issued at a VWAP if the buyer elected to extend the payment date for the Second Instalment.

By a further deed of variation dated 31 January 2019 under which the obligation to pay the Second Instalment was again extended, the Company agreed to issue a further USD37,500 worth of shares to Cline Mining at the subscription price set in a listing of the Company's shares on a stock exchange.

On 17 December 2019, the Company paid Cline Mining the Second Instalment under the share sale agreement.

Following the payment of the Second Instalment, Cline Mining was required to fund 25% of all exploration costs incurred on the Bekisopa Tenements. Cline Mining advised that it was not in a position to pay its share of exploration expenditure and the parties commenced negotiations for the sale and purchase of the remaining 25% interest held by Cline Mining in IOCM.

The Company entered into a Deed of Settlement with Cline Mining on 25 July 2020 and a First Variation of the Deed of Settlement on 5 August 2020 (**Deed of Settlement**).

Under the Deed of Settlement the Company agreed to acquire the 25% of the uncertificated shares on issue in IOCM held by Cline Mining and as a result increase its equity interest in IOCM to 100%. The Deed of Settlement required the Company to secure full registration of the transfer of shares by Malagasy

authorities to MHBPL prior to the issue of shares for the acquisition of the 25% of IOCM held by Cline Mining.

The parties agreed to amend the settlement process and executed the First Variation of the Deed of Settlement where the Company issued shares to Cline Mining and Cline Mining agreed to complete certain tasks so that the Company could lodge the applicable documentation with Madagascan authorities for the transfer of Shares. If Cline Mining does not complete the specified tasks set out in the First Variation of the Deed of Settlement the Company has the right to buyback the Shares issued to Cline Mining for \$1 and put to Shareholders a resolution to cancel the issue of shares to Cline Mining.

(d) Crofts Drilling Contract

The Company entered into a drilling contract with Crofts Drilling Services Sarl (**Crofts Drilling**) on 26 September 2020 (**Drill Contract**) to provide drilling services (**Drilling Services**) to the Company on the Bekisopa Project.

(i) Fees

The Company will remunerate Crofts Drilling for the provision of the Drilling Services as follows:

- (A) the mobilisation and demobilisation fee (each being USD 29,400) prior to the commencement, and termination of, the drilling; and
- (B) a drill rate per meter that is inclusive of labour costs, fuel and drill site relocation expenses.

(ii) Termination

Under the Drill Contract, it is anticipated that Croft Drilling will commence drilling on or about 16 November 2020. The Company may, at any time from the commencement of the drilling of the first hole, terminate the Drill Contract (with or without cause). If the Drill Contract is terminated early, Croft Drilling shall be entitled to compensation of 125% of the demobilisation fee of USD 29,400 which is USD\$36,750.

Crofts Drilling may terminate the Drill Contract upon providing 30 days' written notice to the Company provided it can certify that the Company either:

- (A) failed to pay Crofts Drilling undisputed amounts within seven days' of being provided notice of such amounts; or
- (B) there is a new government edict, decree, rule, or law that has been applied to Crofts Drilling or its entitlement under this contract.

(e) Sale and Purchase Agreement –PRE Permit Licence Numbers 18379-1 and 18891-1 (Tratramarina)

Universal Exploration Madagascar Sarl (**UEM**) entered into a sale and purchase agreement dated 22 June 2011 (**Purchase Agreement**) to acquire two permits (comprising PRE 18379-1 and PRE 18891-1 (referred to hereafter as **Tratramarina West Permits**) that form the Tratramarina Permits from Jean Gualbert Randriamanantsoa and Andre Joseph Rakotorisoa (**Vendors**).

Under the Purchase Agreement, UEM paid the following consideration to the Vendors:

- (A) USD 190,000; and
- (B) USD 250,000 and USD 350,000 to exercise UEM's option under the Purchase Agreement to continue to explore the Tratramarina West Permits in 2012 and 2013 respectively.

UEM is also required to pay the Vendors a royalty fee of 0.35% per annum of net sales revenue generated from the future production of magnetite concentrate deriving from the Tratramarina West Permits.

Simultaneously, UEM and the Vendors executed a deed of equitable interest whereby the Vendors agreed to hold the Tratramarina West Permits on trust for UEM and agreed to undertake all necessary actions in order to transform the PREs into Exploration Permits and transfer the Exploration Permits to UEM. The effect of the deed of equitable interest is to give UEM full and unfettered access to the area the subject of the PRE and to carry out exploration.

The Purchase Agreement is governed by Malagasy law and any dispute arising out of or in connection with the agreement shall be settled by the courts of Madagascar.

(f) Sale and Purchase Agreement- PRE Permit Licence Number 3757 (Bekisopa)

Randriamananjara Santatriniaina entered into a sale and purchase agreement dated 15 August 2014 (**Second Purchase Agreement**) to acquire PRE Permit 3757 (referred to hereafter as the **Bekisopa PRE Permit**) from Razafindravola Marie H el ene (**Vendor**). IOCM funded the acquisition.

Under the Second Purchase Agreement, IOCM paid the following consideration to the Vendor:

- (i) MGA 38,000,000 (approx. USD 9,595);
- (ii) MGA 295,920 (approx. USD 74.72) to the BCMM for the renewal of the PRE Permit, and
- (iii) MGA 2,604, 000 (approx. USD 658) as mining fees 2013 and 2014.

IOCM is also required to pay the Vendor a royalty fee of 2% per annum of net sales revenue generated from the future production of magnetite concentrate deriving from the Bekisopa PRE Permit.

Simultaneously, IOCM and Randriamananjara Santatriniaina executed a deed of equitable interest whereby Randriamananjara Santatriniaina agreed to hold PRE 3757 on trust for IOCM and agreed to undertake all necessary actions in order to transform the PRE into an Exploration Permit and transfer the Exploration Permit to IOCM. The effect of the deed of equitable interest is to give IOCM full and unfettered access to the area the subject of the PRE and to carry out exploration.

The Second Purchase Agreement is governed by Malagasy law and any dispute arising out of or in connection with the agreement shall be settled by the courts of Madagascar

9.2 Rights attaching to New Shares

A summary of rights attaching to the Shares (including New Shares) is detailed below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to the Shares in any specific circumstances, the Shareholder should seek legal advice.

9.3 Summary of material provisions of the constitution

The rights and liabilities attaching to ownership of the Shares are:

- (a) detailed in the Constitution of the Company which is available online at <http://www.akoravy.com.au/>; and
- (b) in certain circumstances, regulated by the Corporations Act, the Listing Rules, the ASX Settlement Operating Rules and the general law.

A summary of the significant rights, liabilities and obligations attaching to the Shares and a description of other material provisions of the Constitution are set out below. This summary is not intended to be exhaustive and is qualified by the fuller terms of the Constitution. This summary does not constitute a definitive statement of all of the rights and liabilities of Shareholders. This summary assumes the Company is admitted to the Official List of the ASX.

(a) Voting

At a general meeting, every member present in person or by proxy, attorney or representative has one vote on a show of hands and on a poll one vote for each fully paid Share held. On a poll, partly paid Shares (if any) confer a fraction of a vote pro-rata to the amount paid up on the Share. Shareholders may also exercise their voting rights through direct voting at the directors' election in such manner as the Directors determine to be appropriate for the casting of direct votes.

(b) Dividends

Subject to any special terms and conditions of issue, the amount which the Directors from time to time determine to distribute by way of dividend are divisible among the members in proportion to the amounts paid up on the Shares held by them.

(c) Issue of Shares

Subject to the Constitution, the Listing Rules and the Corporations Act, the Directors have the right to issue Shares or grant options over unissued Shares to any person and they may do so at such times as they think fit and on the conditions and the issue price they think fit. Such shares may have preferred, deferred or other special rights or special restrictions about dividends, voting, return of capital or otherwise, as the Directors think fit.

(d) Variation of class rights

Subject to the Corporations Act and the Listing Rules, the rights attached to any class of Shares may, unless their terms of issue state otherwise, be varied with the written consent of the holders of 75% of the Shares of the class or by a special resolution passed at a separate meeting of the holders of Shares of the class.

(e) Transfer of Shares

Subject to the Constitution, the Corporations Act, the Listing Rules and to the rights or restrictions attached to any shares or class of shares, holders of Shares may transfer them by a proper transfer effected in accordance with the ASX Settlement Operating Rules or an instrument in writing in any usual form or in any other form that the Directors approve.

The Directors may decline to register a transfer of Shares for certain reasons including if the Company has a lien on the Shares the subject of the transfer or where the refusal to register the transfer is permitted under the Listing Rules or the ASX Settlement Operating Rules. If the Company declines to register a transfer, the Company must give the party lodging the transfer written notice of the refusal and the reason for refusal.

(f) Small holdings

The Company may sell Shares on behalf of a Shareholder if that Shareholder holds less than a marketable parcel of Shares, provided that the procedures set out in the Constitution are followed including offering an opt-out ability to all affected Shareholders. A non-marketable parcel of shares is defined in the Listing Rules and is, generally, a holding of shares with a market value of less than \$500.

(g) General meetings and notices

Subject to the Constitution and to the rights or restrictions attached to any shares or class of shares, each member is entitled to receive notice of and, except in certain circumstances, to attend and vote at general meetings of the Company and receive all financial statements, notices and other documents required to be sent to members under the Constitution or the Corporations Act.

(h) Winding up

Subject to any special or preferential rights attaching to any class or classes of shares, under the Constitution, the Corporations Act and the Listing Rules, members will be entitled in a winding up to share in any surplus assets of the Company in proportion to the amount paid up (not credited) on Shares held by them.

(i) Directors — appointment and removal

The minimum number of Directors is three and the maximum may not be more than six unless the Company passes a resolution varying that number. Directors are elected at annual general meetings of the Company. Retirement will occur on a rotational basis so that any Director who has held office for three or more years or three or more annual general meetings (excluding any managing director) retires at the annual general meeting of the Company, and may stand for re-election. The Directors may also appoint a person to fill a casual vacancy on the Board or as an addition to the Board, who will then hold office until the next annual general meeting of the Company and may stand for re-election.

(j) Directors — voting

Questions arising at a meeting of Directors will be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter. Subject to the Listing Rules, in the case of a tied vote, the Chairperson has a second or casting vote, unless there are only two Directors present who are competent to vote on the question at issue.

(k) Directors' remuneration

The Directors, other than the Executive Directors, are entitled to be paid by such Directors' fees for their services as the Directors decide, provided that the total fees do not exceed the maximum aggregate sum of \$750,000 or such other amount as may be approved from time to time by Shareholders in a general meeting. The Constitution also makes provision for the Company to pay all expenses of Directors in attending meetings and carrying out their duties and for the payment of additional fees for extra services or special exertions.

(l) Alteration of Share capital

Subject to the Listing Rules, the Constitution and the Corporations Act, the Company may alter its Share capital.

(m) Variation of the Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of members present and voting at a general meeting of the Company.

(n) Share buy-backs

The Company may buy back Shares in accordance with the provisions of the Corporations Act.

(o) Restricted Securities

Except as permitted by the Listing Rules or ASX, holders of restricted securities must not dispose of, or agree to dispose of, the securities during the escrow period applicable to those securities. If the securities are in the same class as quoted securities, the holder is deemed to have agreed in writing to the restricted securities being kept on the Company's issuer sponsored subregister with a holding lock applied to them for the duration of the applicable escrow period. During the applicable escrow period, the restricted security holder will not be entitled to participate in any return of capital on those securities unless permitted by the Listing Rules or ASX.

If a restricted security holder breaches a restriction deed, restriction notice, or a provision of the Constitution restricting a disposal of those securities, the restricted security holder is not entitled to any dividend or distribution, or voting rights, in respect of the restricted securities for so long as the breach continues.

9.4 Rights attaching to Attaching Options

The Attaching Options will be issued on the following terms:

- (a) **(Entitlement):** Subject to Section (f) below, each Attaching Option entitles the holder (**Option Holder**) to be issued one Share for each Attaching Option.
- (b) **(Exercise Price):** The exercise price of each Attaching Option is \$0.30 (**Exercise Price**).
- (c) **(Expiry Date):** The expiry date of the Attaching Options is 2 years from the date of issue (**Expiry Date**).

- (d) **(Exercise Period)** The Attaching Options may be exercised at any time prior to the Expiry Date, in whole or in part, upon payment of the Exercise Price per Attaching Option.
- (e) **(Quotation)**: The Attaching Options will not be quoted.
- (f) **(Exercise)**: The Company will provide to each Option Holder a notice that is to be completed when exercising the Attaching Options (**Notice of Exercise**). Attaching Options may be exercised by the Option Holder in whole or in part by completing the Notice of Exercise and forwarding the same to the Company Secretary to be received prior to the Expiry Date. The Notice of Exercise must state the number of Attaching Options exercised, the consequent number of Shares to be allotted, and the identity of the proposed allottee. The Notice of Exercise by the Option Holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being the Exercise Price multiplied by the number of Shares to be issued.
- (g) **(Ranking of Shares)**: All Shares issued upon the exercise of the Attaching Options will rank equally in all respects with the Company's then issued Shares. The Company will apply to the ASX for quotation of all Shares issued upon exercise of Attaching Options.
- (h) **(Participation rights)**: There are no participating rights or entitlements inherent in the Attaching Options and Option Holders will not be entitled to participate in new issues or pro-rata issues of capital to shareholders during the term of the Attaching Options. Thereby, the Option Holder has no rights to a change in the exercise price of the Attaching Option, or a change to the number of underlying securities over which the Attaching Option can be exercised, except in the event of a bonus issue. The Company will ensure, for the purposes of determining entitlements to any issue, that Option Holders will be notified of a proposed issue after the issue is announced. This will give Option Holders the opportunity to exercise their Attaching Options prior to the date for determining entitlements to participate in such issues.
- (i) **(Bonus issue)**: if from time to time on or prior to the Expiry Date the Company makes a bonus issue of securities to holders of Shares in the Company (**Bonus Issue**), then upon exercise of the Option Holder's Attaching Options, the Option Holder will be entitled to have issued to them (in addition to the Shares which they are otherwise entitled to have issued to them upon such exercise) the number of securities which would have been issued to them under that Bonus Issue if the Attaching Options had been exercised before the Attaching Option Record Date for the Bonus Issue.
- (j) **(Reconstructions)**: In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, all rights of the Option Holder shall be reconstructed (as appropriate) in accordance with the Listing Rules.
- (k) **(Transferability)**: the Attaching Options will not be transferrable.

9.5 Long term incentive plan

The Company adopted the Long Term Incentive Plan on 11 August 2011 (**Long Term Incentive Plan**), which allows the Board to make offers to eligible directors and employees to acquire securities in the Company. Under the terms of the Long Term Incentive Plan, the Board may grant performance rights or options (together, **LTIP Securities**).

- (a) Performance rights:
 - (i) require no payment for the grant to be made; and

- (ii) subject to certain rules relating to cessation of employment, takeovers or insolvency events, will vest only where certain performance conditions have been satisfied (or waived).
 - (iii) Upon vesting of a performance right, Ordinary Shares will be allocated to the participant without any further action on the part of the participant.
 - (iv) On vesting of a performance right, the Board must allocate the relevant number of Shares due to the participant by either issuing new Shares, procuring the transfer of Shares or procuring the setting aside of Shares for the participant.
 - (v) A performance right will lapse on the earlier of, amongst other things, the occurrence of the instances set out in Sections 9.5(c) - 9.5(e) (inclusive), or if the participant has failed to meet a performance condition within the prescribed period.
- (b) Options:
- (i) require no payment for the grant to be made:
 - (ii) will only vest and become exercisable where certain performance conditions have been satisfied.
 - (iii) The exercise of any option granted under the Long Term Incentive Plan will be effected in the form and manner determined by the Board and must be accompanied by payment of the relevant exercise price (if any) advised to the participant by the Board.
 - (iv) Following the exercise of an option, the Board must allocate the relevant number of Shares due to the participant by either issuing new shares, procuring the transfer of shares or procuring the setting aside of shares for the participant.
 - (v) An option will lapse on the earlier of, amongst other things, the occurrence of the instances set out in Sections 9.5(c) - 9.5(e) (inclusive), if the participant has failed to meet a performance condition within the prescribed period or seven years from the grant of the option (or on any other date nominated as the expiry date in the invitation letter).
- (c) Prohibited dealings
- (i) The Long Term Incentive Plan prohibits any dealing (which includes, amongst other things, selling, transferring, assigning, encumbering the relevant performance right or option, or attempting to do any of these actions) in respect of an LTIP Security unless the Board determines otherwise, or it is required by law.
 - (ii) If a participant deals in an LTIP Security in contravention of this rule, it will immediately lapse.
 - (iii) The Board may also impose restriction on dealing in respect of any Ordinary Shares that are allocated on the vesting of a performance right or the exercise of an option.

(d) Cessation of employment

Where a participant ceases to be a director or employee of the Group, that participant's LTIP Securities will continue to be held by the participant and continue to be subject to the terms of the Long Term Incentive Plan. However, the Board may determine that some or all of the participants LTIP Securities will vest or become exercisable, or lapse.

(e) Takeovers and insolvency events

In the event of a takeover bid, or on certain insolvency events, the Board may determine that all (or a specified number of) a participants unvested LTIP Securities will vest. Any such vested options will be exercisable for a period of time as specified by the Board, after which they will lapse.

(f) Power to make amendments

(i) The Board has the right to, amongst other things:

(A) make any adjustments to the terms of a performance right or option (in order to minimise or eliminate and material advantage or disadvantage to a participant resulting from a corporate action or capital reconstruction);

(B) by resolution, and subject to the terms summarised in Section 9.5(f)(ii) below, amend the provisions of the Long Term Incentive Plan or suspend or terminate the operation of the Long Term Incentive Plan; and

(C) be reimbursed by the participant any amount to account for income tax (or any other tax of a similar nature) due from the Company in connection with the grant of any LTIP Securities.

(ii) Other than to comply with a relevant law, correct a manifest error or to take into account possible adverse tax implications, without the consent of the participant, the Board may not exercise its rights sets out in Section 9.5(f)(i)(B) above in a manner which reduces the rights of the participant in respect of an LTIP Security already granted.

9.6 Terms of Performance Rights

The Performance Rights that comprise part of Mr Michael Stirzaker's remuneration, subject to shareholder approval (as described in Section 7.6(d)) will be issued pursuant to the terms of the Company's Long Term Incentive Plan and on the terms set out below.

The Performance Rights:

(a) form part of the remuneration;

(b) are not transferable;

(c) do not confer any entitlement to vote;

(d) do not confer any right to a dividend;

(e) do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise;

- (f) do not confer any right to participate in the surplus profits or assets of the Company upon winding up; and
- (g) do not confer any right to participate in new issues of securities such as rights issues, placements or entitlements, except that the number of Performance Rights will be adjusted equitably in the event of any bonus issue or share consolidation,

unless and until the Vesting Condition (being 2 years from Mr Stirzaker's appointment) is satisfied and the Performance Rights convert into Shares; and

- (h) will, upon vesting in satisfaction of the Vesting Condition, automatically convert for nil consideration into Shares on a one for one basis;
- (i) subject to sub paragraph (j) below, will automatically lapse if the Vesting Condition has not been met on the date that is two years from the date of your appointment; and
- (j) will convert automatically if there is a change in control of the Company, notwithstanding that the Performance Rights have not vested, if the change of control is triggered by a person that does not control the Company at the time the Performance Rights are issued achieving control of more than 50% of the ordinary voting securities in the Company.

To the extent that the terms of the Performance Rights are inconsistent with the Listing Rules, the Listing Rules will prevail.

9.7 Related party agreements

The Company has entered into employment agreements with Messrs Bibby and Madden and letters of appointment with Messrs Stirzaker and Fabian. These documents set out the terms and conditions of employment for Messrs Bibby and Madden and the terms and conditions of appointment for Messrs Stirzaker and Fabian. Please refer to Sections 7.6(a) - 7.6(c) (inclusive) for a summary of these agreements.

9.8 Escrow arrangements

Subject to the Company being admitted to the Official List, certain Shares on issue prior to the Offer will be classified by the ASX as restricted securities and will be required to be held in compulsory escrow for periods of up to 24 months from listing on the ASX. During this period the holders of the restricted securities will be restricted from dealing with the escrowed Shares.

The expected number of Shares in respect of which the escrowed Shareholders are to enter into escrow agreements (in the form required by the Listing Rules) or be bound by escrow provisions in the Constitution will be 10,097,423, summarised below.

- (a) 8,493,266 Shares until 24 months from the date of quotation of the Shares on the ASX.
- (b) 1,604,156 Shares for up to 12 months from the date that those Shares were issued.

On this basis, it is estimated that approximately 18.22% of the Shares on a minimum subscription basis, and 16.99% of Shares on a maximum subscription basis, will be escrowed securities as required by the ASX Listing Rules at Admission. All Shares and Attaching Options that are issued to the Lead Manager will also be escrowed under the ASX Listing Rules for a period of 24 months commencing from quotation of the Company's Shares on the ASX.

Further, it is anticipated that the Directors' Shares that are not subject to ASX escrow will be subject to a voluntary escrow period of 24 months commencing from quotation of the Company's Shares on ASX (being an aggregate of 805,890 Shares (comprising 1.45% of the Company's issued share capital on a minimum subscription basis and 1.36% of Shares on a maximum subscription basis at Admission)).

An estimated further 9,787,339 Shares (comprising 17.66% of the Company's issued share capital at on a minimum subscription basis and 16.47% of Shares on a maximum subscription basis at Admission) will be subject to voluntary escrow arrangements for 6 months commencing from quotation of the Company's Shares on the ASX.

The Company will announce to the ASX full details (quantity and duration) of the Shares and Attaching Options (in respect of those issued to the Lead Manager) required to be held in escrow, both compulsory and voluntary, prior to the Company's Shares commencing trading on the ASX.

9.9 Interests of persons

Other than as set out below or elsewhere in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, has, or has had within the 24 months preceding lodgement of this Prospectus with the ASIC, any interest in:

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

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons for services rendered by them in connection with the formation or promotion of the Company or the Offer.

Bentleys Audit & Corporate (WA) Pty Ltd will receive professional fees of approximately \$19,467 (excluding GST and disbursements) for the provision of accounting services in its capacity as the Investigating Accountant and author of the Independent Limited Assurance Report. During the 24 months preceding lodgement of this Prospectus with the ASIC Bentleys Audit & Corporate (WA) Pty Ltd has received an additional \$49,000 (excluding GST and disbursements) in professional fees in its capacity as the Company's auditor for the provision of audit services. Further amounts may be paid to Bentleys Audit & Corporate (WA) Pty Ltd in accordance with their normal charges.

Harbury Advisors Pty Ltd has acted as lead manager to the Offer. Fees payable to Harbury Advisors Pty Ltd for these services are set out in the agreement summarised in Section 9.1(a). During the 24 months preceding lodgement of this Prospectus with the ASIC, Harbury Advisors Pty Ltd has not received any fees from the Company.

Wardell Armstrong International Limited will receive professional fees of approximately \$93,000 (excluding VAT and disbursements) for the preparation of the Independent Geologist Report contained in Schedule 1. During the 24 months preceding lodgement of this Prospectus with the ASIC Wardell Armstrong International has not received any fees from the Company other than those disclosed above. Further amounts may be paid to Wardell Armstrong International in accordance with their normal charges.

John W Fooks & Co, the Company's Malagasy Counsel, will receive professional fees of approximately \$42,500 (excluding VAT and disbursements) for the preparation of the Solicitor's Tenements Report summarised in Section 1 and set out in Schedule 2. During the 24 months preceding lodgement of this Prospectus with the ASIC John W Fooks & Co

has not received any additional fees other than those disclosed above. Further amounts may be paid to John W Fooks & Co in accordance with their normal charges.

Dentons will receive professional fees of approximately \$140,000 (excluding GST and disbursements) for legal services in connection with the Offer. During the 24 months preceding lodgement of this Prospectus with the ASIC Dentons has received approximately \$56,600 (excluding GST and disbursements) in fees from the Company. Further amounts may be paid to Dentons in accordance with their normal charges.

The Share Registry has been appointed as the Company's share registry and will be paid in accordance with their standard rates for these services in relation to the Offer. During the 24 months preceding lodgement of this Prospectus with the ASIC the Share Registry has received fees in accordance with their normal charges.

9.10 Costs of the Offer

As at the date of this Prospectus the Company has paid \$175,000 in relation to the costs of the Offer and will pay \$496,000 (Minimum Subscription) and \$566,000 (Maximum Subscription) out of proceeds from the listing. In total, the cash costs of the Offer (excluding GST) are estimated to be between approximately \$671,000 and \$741,000. The range of amounts reflects the Lead Manager fees and the ASX fees if the Minimum Subscription or Maximum Subscription is raised. The table below sets out total cash costs which exclude share based payments with respect to the issue of Shares and Options to the Lead Manager. Refer to Notes 6 and 8 of Section 4.9 for details and values of Shares and Options to be issued to the Lead Manager.

Sections 9.1(a) and 9.9 set out further details in respect to the fees payable to the Lead Manager in relation to the Offer.

The total approximate expenses of the Offer payable by the Company are set out in the table below:

Items of expenditure	Minimum Subscription (\$)	Maximum Subscription (\$)
ASX quotation	109,000	109,000
ASIC lodgement fee	5,000	5,000
Legal fees	140,000	140,000
Investigating Accountant fees	20,000	20,000
Independent Geologist fees	93,000	93,000
Malagasy Counsel	43,000	43,000
Lead Manager fees	240,000	310,000
Other	21,000	21,000
Total cash costs	671,000	741,000

9.11 Consents

Each of the parties listed in this Section, to the maximum extent permitted by law, expressly disclaims all liabilities in respect of, makes no representations regarding and takes no responsibility for any statements in or omissions from this Prospectus, other than the reference to its name in the form and context in which it is named and the statement or report included in this Prospectus with its consent as specified below.

Each of the parties listed below has given and has not, before lodgement of this Prospectus with the ASIC, withdrawn its written consent to the inclusion of the statements in this Prospectus that are specified below in the form and context in which the statements appear:

- (a) Bentleys Audit & Corporate (WA) Pty Ltd has given and has not, before lodgement of this Prospectus with the ASIC, withdrawn its written consent to be named in this Prospectus as the Investigating Accountant and Auditor in the form and context in which it is named and to the inclusion in this Prospectus of its Independent Limited Assurance Report in the form and context in which it is included. Bentleys Audit & Corporate (WA) Pty Ltd has not authorised or caused the issue of this Prospectus and does not make or purport to make any statement in the Prospectus;
- (b) Harbury Advisors Pty Ltd has given, and has not, before lodgement of this Prospectus with the ASIC, withdrawn its written consent to be named in this Prospectus as Lead Manager to the Offer in the form and context in which it is named. Harbury Advisors Pty Ltd has not authorised or caused the issue of this Prospectus and does not make or purport to make any statement in Prospectus;
- (c) John W Ffooks & Co has given and has not, before lodgement of this Prospectus with the ASIC, withdrawn its written consent to be named in this Prospectus as Malagasy legal adviser to the Company in relation to the Offer in the form and context in which it is named and to the inclusion in this Prospectus of its Solicitor's Tenement Report in the form and context in which it is included. John W Ffooks & Co has not authorised or caused the issue of this Prospectus and does not make or purport to make any statement in the Prospectus;
- (d) Wardell Armstrong International has given and has not, before lodgement of this Prospectus with the ASIC, withdrawn its written consent to be named in this Prospectus as the Independent Geologist in the form and context in which it is named and to the inclusion in this Prospectus of its Independent Geologist Report in the form and context in which it is included. Wardell Armstrong International has not authorised or caused the issue of this Prospectus and does not make or purport to make any statement in the Prospectus;
- (e) Dentons Australia Limited has given and has not, before lodgement of this Prospectus with the ASIC, withdrawn its written consent to be named in this Prospectus as Australian legal adviser to the Company in relation to the Offer in the form and context in which it is named. Dentons Australia Limited has not authorised or caused the issue of this Prospectus and does not make or purport to make any statement in the Prospectus;
- (f) Link Market Services Limited has given and has not, before lodgement of this Prospectus with the ASIC, withdrawn its written consent to be named in this Prospectus as the Share Registry in the form and context in which it is named. Link Market Services Limited has had no involvement in the preparation of any part of this Prospectus other than being named as Share Registry to the Company.

References are made in this Prospectus to entities that have certain dealings with the Company, including counterparties to contractual arrangements referred to in this Prospectus. These parties have been referred to for information purposes only. Those entities did not authorise or cause the issue of this Prospectus and have had no involvement in the preparation of any part of this Prospectus.

9.12 Taxation

The acquisition and disposal of Offer Securities in the Company will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial

advice about the consequences of acquiring Shares from a taxation viewpoint and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability or responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

9.13 Continuous Disclosure Obligations

Following Admission, the Company will be a "disclosing entity" (as defined in section 111AC of the Corporations Act). Accordingly, the Company will be subject to periodic reporting and continuous disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose to the market any information which a reasonable person would expect to have a material effect on the price or the value of Shares (unless a relevant exception to disclosure applies). Price sensitive information will be publicly released through ASX before it is otherwise disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to ASX.

9.14 Litigation

The Directors are not aware of any civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature instituted, pending or threatened in which the Company is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company.

9.15 Electronic Prospectus

Pursuant to Regulatory Guide 107 ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of the Electronic Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Shares in response to an electronic application form, subject to compliance with certain provisions. If you have received this Prospectus as an Electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company and the Company will send to you, free of charge, either a hard copy or a new copy of the Electronic Prospectus or both.

The Company will not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies received will be dealt with in accordance with Section 722 of the Corporations Act.

9.16 Documents available for inspection

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company:

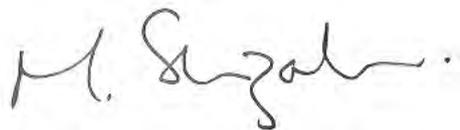
- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 9.11 of this Prospectus.

9.17 Governing law

This Prospectus and the contracts that arise from the acceptance of the Applications are governed by the laws applicable in Victoria, Australia and each Applicant submits to the jurisdiction of the courts of Victoria, Australia.

9.18 The Directors' statement

This Prospectus is issued by the Company. Each of the Directors has consented to the lodgement of this Prospectus in accordance with section 720 of the Corporations Act and has not withdrawn that consent.

A handwritten signature in black ink, appearing to read "M. Sengal", with a period at the end. The signature is written in a cursive style.

Chairman
AKORA Resources Limited

10. Definitions

The following definitions apply throughout this Prospectus:

\$, AUD, dollars or cents	Australian currency excluding GST unless otherwise stated.
Admission	admission of the Company to the Official List, following Completion.
AERP	Autorisation Exclusive de Réserve de Périmètre (permit reservations).
AKORA or Company	AKORA Resources Limited ACN 139 847 555.
Ambodilafa Farm-in Agreement	the agreement between the Company and Jubilee in relation to the Ambodilafa Project further details of which are set out in Section 9.1(b).
Ambodilafa Permits	the exploration permits 6595, 13011 and 21910 in relation to a total area of 52.33km ² comprising the Ambodilafa Project, further details of which, and the Group's interest in such permits, are set out in Part 3 of the Solicitor's Tenement Report that is summarised at Section 1.
Ambodilafa Project	an iron mineralisation deposit located in the Republic of Madagascar, approximately 45km west of the coastal village of Nosy Varika in Fianarantsoa Province, further details of which are set out in Section 3.3(c).
Applicant	a person who submits an Application.
Application	a valid application to subscribe for Offer Securities pursuant to the General Offer or the Broker Firm Offer (as applicable).
Application Form	the application form either attached to or accompanying this Prospectus in relation to either General Offer or the Broker Firm Offer (as applicable).
Application Monies	monies received by the Company from Applicants.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited ACN 008 624 694 or the securities exchange operated by it, as the case requires.
ASX Recommendations	has the meaning set out in Section 7.8.
ASX Settlement	ASX Settlement Pty Limited ACN 008 504 532.
Attaching Option	one free attaching Option for every two New Shares subscribed for and issued pursuant to the Offer with each Attaching Option exercisable at \$0.30 on or before the date that is two years from issue and otherwise on

	the terms set out in Section 9.4.
Base Salary	the meaning given to that term in Sections 7.6(b) and 7.6(c) (as applicable).
BCMM	Bureau de Cadastre Minier de Madagascar the Madagascar Mining Registry.
Bekispoka or Bekisopa Project	an iron mineralisation deposit located in the Republic of Madagascar, approximately 350km southwest of Antananarivo, further details of which are set out in Section 3.3(a).
Bekisopa Permits	the exploration permits 10430, 27211 and 35827 in relation to a total area of 93.5km ² comprising the Bekisopa Project, further details of which, and the Group's interest in such permits, are set out in Part 1 of the Solicitor's Tenement Report that is summarised in Section 1 and set out in Schedule 2.
Bekisopa PRE Permit	PRE 3757.
Bentleys	Bentleys Audit & Corporate (WA) Pty Ltd ACN 121 222 802.
BIF	banded iron formations.
Board	the board of Directors unless the context indicates otherwise.
Bonus Issue	the meaning ascribed to that term in Section 9.4(i).
Broker Firm Application Form	the application form relevant to the Broker Firm Offer that is to be provided to Brokers' clients with the Prospectus.
Broker Firm Offer	the offer of Offer Securities to certain brokers' clients on the same terms and conditions as the General Offer.
Business Day	a day other than a Saturday or Sunday on which banks are open for business in Melbourne, Victoria.
CFO Agreement	the meaning ascribed to that term in Section 7.6(c).
CFO Bonus	the meaning ascribed to that term in Section 7.6(c).
Chairperson	Mr Michael Stirzaker, being the duly appointed chairperson of the Company at the Prospectus Date.
CHESS	Clearing House Electronic Subregister System operated by ASX Settlement.
Cline Mining	Cline Mining Corporation CUSIP 186905, an entity incorporated under the laws of Canada with a registered office at 161 Bay Street, Toronto, Ontario, Canada.
Closing Date	the date on which the Offer closes, expected to be

5:00pm (AEDT) on Thursday, 26 November 2020, unless changed.

Commodities	all commodities other than platinum group elements, metals traded on the London Metals Exchange and chrome), which include prospective iron ore commodities.
Company Secretary	the duly appointed company secretary of the Company at the Prospectus Date.
Completion	the date on which the Offer Securities are issued to Applicants in accordance with the terms of the Offer.
Constitution	the constitution of the Company.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Deed of Settlement	Deed of Settlement between the Company and Cline Mining on 25 July 2020 and a First Variation of the Deed of Settlement on 5 August 2020.
Dentons	Dentons Australia Limited ABN 69 100 963 308.
Directors	the duly appointed directors of the Company at the Prospectus Date.
Drill Contract	drilling contract between the Company and Crofts Drilling Services Sarl dated 26 September 2020.
Drilling Services	the meaning ascribed to that term in Section 9.1(d).
DSO	direct shipping ferrous ore.
EA	environmental assessment.
EIA	environmental impact assessment.
Electronic Prospectus	means the electronic copy of this Prospectus located at the Company's website https://www.akoravy.com/ .
Exercise Price	the meaning ascribed to that term in Section 9.4(b).
Expiry Date	the meaning ascribed to that term in Section 9.4(c).
Fees	has the meaning provided in Section 9.1(a).
Financial Information	has the meaning provided in Section 4.1 of this Prospectus.
FMCA	the meaning ascribed to that term in Section 2.15(d).
FPO	the meaning ascribed to that term in Section 2.15(c).
FSMA	the meaning ascribed to that term in Section 2.15(c).

General Offer	the offer of New Shares at the Offer Price and one free Attaching Option for every two New Shares subscribed for in the Company pursuant to this Prospectus.
Group	the Company and its subsidiaries as at the date of this document.
Historical Financial Information Section	the meaning ascribed to that term in Section 4.2.
Independent Geologist	Wardell Armstrong.
Independent Geologist Report or IGR	is set out in full at Schedule 1, prepared by the Independent Geologist.
Independent Limited Assurance Report	the report is set out in Section 5, prepared by Bentleys.
Investigating Accountant	Bentleys.
IOCM	Iron Ore Corporation of Madagascar sarl.
JORC	Joint Ore Reserves Committee.
JORC Code	2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists, and Mineral Council of Australia.
Jubilee	Jubilee Metals Group plc (Registration Number 4459850), a company incorporated in England.
KPMs	key performance measures.
Lead Manager	Harbury Advisors Pty Ltd ACN 625 265 965 AFS Representative Number 001265413.
LGIM	Law No. 2001-031 dated 08 October 2002, establishing a <i>Loi pour les Grands Investissements dans le Secteur Minier Malagasy</i> .
Listing Rules	the Listing Rules of the ASX that govern Admission, quotation and removal of securities from the Official List.
Long Term Incentive Plan	Long Term Incentive Plan adopted on 11 August 2011.
LTIP Securities	the meaning ascribed to that term in Section 9.5.
Malagasy Holdings	Malagasy Holdings (Bekisopa) Pty Limited ACN 149 224 742.
Management	the senior management team of the Company.
Manager Investors	the meaning ascribed to that term in the 'Offer Statistics' and Section 9.1(a).

Mandate	lead manager mandate between the Company and the Lead Manager dated 4 November 2020.
Maximum Subscription	up to 20,000,000 New Shares at an issue price of \$0.25 per Share to raise up to \$5,000,000 (before costs).
MD Agreement	the meaning ascribed to that term in Section 7.6(b).
MD Bonus	the meaning ascribed to that term in Section 7.6(b).
MD Services	the meaning ascribed to that term in Section 7.6(b).
MHBL	the meaning ascribed to that term in Section 9.1(c).
MHBPL	the meaning ascribed to that term in Section 9.1(c).
Mineral Resource	the meaning ascribed to that term in the JORC Code.
Minimum Subscription	16,000,000 New Shares at an issue price of \$0.25 per Share to raise \$4,000,000 (before costs).
Mining Code	Law No. 2005-021 dated 17 October 2005 which amends the Law No. 99-022 dated 19 August 1999.
New Shares	Shares issued pursuant to the Offer under this Prospectus.
Non-Executive Director	a Director who is not a member of Management.
Notice of Exercise	the meaning ascribed to that term in Section 9.4(f).
Offer	the invitation to apply for the Offer Securities pursuant to the General Offer and Broker Firm Offer under this Prospectus, as described in Section 2.
Offer Period	the period commencing on the Opening Date and ending on the Closing Date.
Offer Price	the issue price of New Shares, being \$0.25.
Offer Securities	the New Shares and Attaching Options offered pursuant to the Offer.
Official List	the Official List of the ASX listed companies as maintained by the ASX.
Opening Date	the date on which the Offer opens for Applications for Offer Securities, being 3:00pm (AEDT) on Thursday, 12 November 2020, unless amended.
Options	an option to acquire a Share.
Original Prospectus	the prospectus dated Wednesday, 21 October 2020.
Original Prospectus Date	Wednesday, 21 October 2020, being the date the Original Prospectus was lodged with ASIC.

Other Commodities	the meaning ascribed to that term in Section 9.1(b).
PE or Exploitation Permit	Permis d'Exploitation or Exploitation Permit.
Performance Rights	the performance rights to be issued to Mr Michael Stirzaker, subject to shareholder approval, on the terms of the Long Term Incentive Plan summarised in Section 9.5 and the terms set out in Section 9.6.
Permits	together, the Ambodilafa Permits, the Bekisopa Permits and the Tratramarina Permits.
PR or Exploration Permit	Permis de Recherche or Exploration Permit.
PRE	Permis reserves aux Petits Exploitants, which may only be held by Malagasy nationals.
PREE	Environmental Commitment Programme.
Pro Forma Historical Financial Information	the meaning ascribed to that term in Section 4.3.
Pro Forma Financial Information	the meaning ascribed to that term in Section 4.4.
Pro Forma Historical Financial Information	the meaning ascribed to that term in Section 4.3
Projects	together, the Ambodilafa Project, Bekisopa Project and Tratramarina Project, and Project shall mean any one of them.
Prospectus or Replacement Prospectus	this document dated Thursday, 12 November 2020 and includes the electronic form of this Prospectus.
Prospectus Date	the date the Prospectus was lodged with the ASIC, being Thursday, 12 November 2020.
Purchase Agreement	sale and purchase agreement dated 22 June 2011 between UEM and vendors, Jean Gualbert Randriamanantsoa and Andre Joseph Rakotorisoa.
Regulation D	the meaning ascribed to that term in Section 2.15(a).
Regulation S	the meaning ascribed to that term in Section 2.15(a).
Relevant Companies	the meaning ascribed to that term in Section 1.
Schedule	a schedule of this Prospectus.
SEC	U.S. Securities and Exchange Commission.
Second Instalment	the meaning ascribed to that term in Section 9.1(c).
Second Purchase Agreement	the meaning ascribed to that term in Section 9.1(f).
Section	a section of this Prospectus.

Services	the meaning ascribed to that term in Section 7.6(c) and 9.1(a), as applicable.
Share	one fully paid ordinary share in the capital of the Company.
Share Registry	Link Market Services Limited ACN 083 214 537 being the duly appointed share registry of the Company at the Prospectus Date.
Shareholder	a registered holder of Shares.
Solicitor's Tenement Report	the report summarised in Section 1 and set out in Schedule 2, prepared by John W Ffooks & Co.
SPPI	meaning ascribed to that term in Section 4.9(j)(ii).
Tratramarina Permits	the exploration permits 16635, 16637 and 17245 forming part of the Tratramarina Project, further details of which, and the Group's interest in such permits, are set out in Part 2 of the Solicitor's Tenement Report that is summarised in Section 1 and set out in Schedule 2.
Tratramarina Project	an iron mineralisation deposit located in the Republic of Madagascar, approximately 160km southeast of Antananarivo, further details of which are set out in Section 3.3(b).
Tratramarina West Permits	PREs 18379 and 18891.
UEM	Universal Exploration Madagascar sarl.
USD	currency of the United States.
US Person	any United States citizen or alien admitted for permanent residence in the United States, and any corporation, partnership, or other organization organized under the laws of the United States.
U.S. Securities Act	<i>U.S. Securities Act of 1933</i> , as amended.
VAT	The meaning ascribed to that term in Section 3.8(h).
Vendor	the meaning ascribed to that term in Section 9.1(f).
Wardell Armstrong	Wardell Armstrong International Ltd, an entity incorporated in England, of Sir Henry Doulton House, Forge Lane, Etruria, Stoke-on-Trent, ST1 5BD, United Kingdom.

References to a time in this Prospectus are to Australian Eastern Daylight Time (AEDT) unless otherwise stated.

11. Corporate Directory

Directors

Michael Stirzaker – Non Executive Chairman
Mr Paul Bibby – Executive Managing Director
Mr John Madden – Executive Director, Chief Financial Officer and Company Secretary
Mr Stephen Fabian – Non-Executive Director

Registered Office

211 McIlwraith Street
Carlton North, VIC 3054

Contact Details

Email: info@akoravy.com
Website: <https://www.akoravy.com/>

Share Registry

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

Auditor

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

Lead Manager

Harbury Advisors Pty Ltd
Level 3, 175 Collins Street
Melbourne VIC 3000

Investigating Accountant

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

Australian Legal Adviser

Dentons Australia Limited
Level 18, 567 Collins Street
Melbourne, VIC 3000

Malagasy Legal Adviser

John W Ffooks & Co
1st Floor, Immeuble Assist
Antananarivo
Madagascar

Independent Geologist

Wardell Armstrong International Ltd
Baldhu House
Wheal Jane Earth Science Park
Baldhu, Truro
Cornwall TR3 6EH United Kingdom

Proposed ASX code

AKO

Schedule 1 - Independent Geologist Report

wardell-armstrong.com

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AKORA RESOURCES LIMITED

**UPDATED INDEPENDENT GEOLOGISTS REPORT ON THE AKORA RESOURCES IRON
ORE PROJECTS, MADAGASCAR**

November 2020



DATE ISSUED: 10 November 2020
JOB NUMBER: ZT61-1934
VERSION: V9.0
REPORT NUMBER: MM1413
STATUS: Final

AKORA RESOURCES LIMITED

**UPDATED INDEPENDENT GEOLOGISTS REPORT ON THE AKORA RESOURCES IRON ORE PROJECTS,
MADAGASCAR**

November 2020 IGR Update

PREPARED BY:

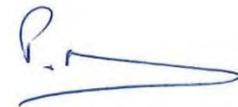
Mark Kenwright

BSc, MSc, MCSM, FAusIMM CP (Geo) Competent Person

APPROVED BY:

Phil Newall

Managing Director, WAI



This report has been prepared by Wardell Armstrong International with all reasonable skill, care and diligence, within the terms of the Contract with the Client. The report is confidential to the Client and Wardell Armstrong International accepts no responsibility of whatever nature to third parties to whom this report may be made known.

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The Directors

AKORA Resources Limited

211 McIllwraith Street
Carlton North,
Victoria, 3054
Australia

10 November 2020

Updated Independent Geologists Report on the AKORA Resources Limited Iron Ore Projects, Madagascar

Scope and purpose of the IGR

Wardell Armstrong International (“WAI”) of Baldhu House, Wheal Jane Earth Science Park, Baldhu, Truro, Cornwall, TR3 6EH, has been commissioned by AKORA Resources Limited (ACN 139 847 555) (“AKO”, or the “Client”), to complete an Updated **Independent Geologists Report** on the AKORA Resources Iron Ore Projects, Madagascar. The original report was completed by WAI in August 2017.

The IGR has been prepared by WAI as of 10 November 2020 based on information and data supplied by the Company.

The IGR has been prepared under the requirements of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, as published by the Joint Ore Reserves Committee of the Australasian Institute of Mining & Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia effective 2012.

WAI understands that AKO will be making an application to the Australian Securities Exchange for all of the ordinary shares in the Company to be admitted to ASX.

A copy of the IGR will be made available on AKO's website on or around admission. This report is to be included in a Prospectus to be lodged by AKO with the Australian Securities and Investment Commission (ASIC) in respect to the Company's initial public offer to raise a minimum of AUD\$4.0 million. The funds raised under the offer will be used for understanding detailed geological exploration and working capital requirements.

Consultants and interests

WAI is an internationally recognised, independent minerals industry consultancy. All consultants used in the preparation of this report are employed directly by WAI and have relevant professional experience.



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Updated IGR October 2020

Details of the principal consultants involved in the preparation of this updated IGR November 2020 are as follows:

Mark Kenwright is the Author of the report.

Mark Kenwright, BSc, MSC, CP (Geo), FAusIMM, Associate Director, WAI

Mark has > 25 years' experience as a Geology/ Exploration Manager in Exploration, Production and Consulting. These skills have led him to a variety of senior management positions, and experience in countries as diverse as Iran (Fe, Cu, Au, Ag, Mn, Ba), Mozambique, (Ni-Cu-Zn, Au-Ag, Pt-Pd), Burkina Faso (Au), Mali (Au), Ghana (Au), South Africa (Au, Pt-Pd, Fe), Zambia (Cu-Co-Au), Niger (U), Russia (Au, Feldspar), Chad (Au), Madagascar (Graphite), Chile (Cu), Uk (Sn), Portugal (Cu/Au), Chile (Cu-Au), Spain (REO), Kazakhstan (Fe, Cu, Au) and DRC (Cu-Co). His range of experience covers Greenfield's/brownfields exploration, feasibility studies and underground and open pit mining. Recently Mark was the operations manager for Rovuma Resources, responsible for a +/- \$28M budget over 4 years, to deliver exploration results from a new prospective field, including delivery of a known Ni-Cu resource, as well as Zn, Pt, Pd, Au & Ag targets. Previously the geology manager at AngloGold Ashanti's Sadiola & Yatela gold operations in Mali (a JV with Iamgold) where his team extended the LoM of the Yatela and Sadiola operations respectively for an additional 4 and 2 years.

Mark has written an Independent Geologists Report for the Rooinekke Iron Ore Project, Northern Cape, South Africa, as well explored and advised on Iron projects in Iran and advised on Iron projects in Kazakhstan, and is currently involved in an Iron-Titanium-Vanadium project in West Africa and others.

Dr Phil Newall has peer reviewed the report and is the Managing Director at WAI.

Dr Phil Newall, BSc (ARSM), PhD (ACSM), CEng, FIMMM,

Phil is a mining geologist with over 30 years' experience of providing consultancy services to minerals companies throughout the world, with particular specialisation in CIS, Europe, and Africa. He has a Mining Geology degree from Royal School of Mines in London, and a PhD in Exploration Geochemistry from Camborne School of Mines in Cornwall, UK. During his long career as a consulting geologist, Phil has undertaken a large variety of exploration and mining-related contracts, from project management through to technical audits of both metalliferous (specifically gold and base metals) and industrial mineral deposits. He has also acted as an Expert Witness in a number of high-profile mining related legal cases. From a corporate standpoint, Phil is a Partner in the Wardell Armstrong Group as well as Managing Director of WAI where he has responsibility for the Company's Mining Division and international offices in Moscow and Almaty.

Independence

WAI is independent of the Company, its directors, senior management and its advisers.



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Neither WAI, its directors, employees or company associates (the “WAI Parties”) have any commercial interest, either direct, indirect or contingent in the Group nor in any of the assets reviewed in this report nor hold any securities in the Company, its subsidiaries or affiliates nor have the WAI Parties:

- i. received, directly or indirectly, any securities from the Company within the twelve months preceding the application for admission to the official list of the ASX;
- ii. entered into contractual arrangements (not otherwise disclosed in the Appendix) to receive, directly or indirectly, from the Company on or after admission any of the following:
 - fees totalling **£53k (AU\$93k)** or more;
 - securities in the Company where these have a value of **£53k (AU\$93k)** or more calculated by reference to the issue price or, in the case of an introduction, the expected opening price; or
 - any other benefit with a value of **£53k (AU\$93k)** or more at the date of admission.

Neither WAI, nor the author of this report, Mark Kenwright, have or have had previously, any material interest in AKO or the mineral properties in which AKO has an interest. Our relationship with AKO is solely one of professional association between client and independent consultant. This report is prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this report.

WAI Remuneration

The only commercial interest WAI has in relation to the Company is the right to charge professional fees to the Company at normal commercial rates, plus normal overhead costs, for work carried out in connection with the preparation of the IGR. The payment of fees to WAI is in no way contingent upon conclusions contained in the IGR, the success of the Company’s Admission, the value of the Company at Admission, or on the success or otherwise of the Company’s own business dealings.

Disclaimer/Reliance on Experts

WAI has critically examined the information provided by the Company and made its own enquiries and applied its general geological competence. WAI has not independently checked title interests with the Malagasy Government or licence authorities.

The evaluation presented in the IGR reflects our informed judgement based on accepted standards of professional investigation but is subject to generally recognised uncertainties associated with the interpretation of geological, geophysical and subsurface data. It should be understood that any evaluation, particularly one involving exploration and future minerals developments, may be subject to significant variations over short periods of time as new information becomes available.



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Consent and Confirmations

The information in this IGR is based on, and fairly and accurately represents, information and supporting documentation compiled or reviewed by Mr Mark Kenwright up to 3rd November 2020. Mr Mark Kenwright has provided their consent for the inclusion of the IGR in Schedule 1 of the Prospectus, and to the inclusion of statements made by Mark Kenwright in the form and context in which the report and those statements appear, and has not withdrawn that consent before lodgement of the Prospectus with ASIC.

The information in this report that relates to Exploration Targets, or Exploration Results is based on information compiled by Mark Kenwright, a Competent Person who is a Fellow of The Australasian Institute of Mining and Metallurgy.

The interpretation and conclusions in this report is based on information provided by the Company, which includes technical reports from government agencies and previous explorers as well as other relevant published and unpublished data. The interpretation and conclusions are based on current scientific understanding and the best evidence available to WAI at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and however high these probabilities might be, WAI makes no claim for absolute certainty. A final draft of the report was provided by the Company along with a written request to identify any material changes or omissions prior to engagement.

Where appropriate, and in accordance with ASIC Regulatory Guide 55, consent has been obtained to quote data and opinions expressed in unpublished reports by other professionals on the tenements.

Based on the information provided to WAI and to the best of its knowledge, WAI has not become aware of any material change or matter affecting the validity of the IGR.

Capitalised terms not otherwise defined in the IGR have the same meaning given to those terms in the prospectus.

Dr Phil Newall
Managing Director
WAI



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APPENDICES

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EXECUTIVE SUMMARY

Introduction

Wardell Armstrong International (“WAI”) was commissioned by AKORA Resources (“AKO”) to produce an Updated Independent Geologists Report (IGR) on the exploration, geology and evaluation of their iron ore assets in Madagascar. AKORA Resources was previously known as Indian Pacific Resources Ltd.

The basis of this update is the additional information gathered by AKO during a Geophysical survey and a site visit, both completed in 2019.

These statements are made or based upon statements made in previous technical reports that are publicly available from either government departments or the ASX. 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 (Consents to Statements) Instrument 2016/72.

Site Visit – COVID 19

WAI has not completed a recent site visit due to the ongoing Covid 19 Pandemic, therefore the geological data and information contained in this report has been sourced both from AKO’s collation of the historical exploration/evaluation work, the results of work carried out by AKO themselves, as well as works provided by AKO consulting geologist Mr Antony Truelove.

However, it should be noted that a WAI geologist completed a site visit in February 2017.

The designated Competent Person is (“CP”), Mr Mark Kenwright (“MK”) on behalf of WAI.

The Report was requested by AKO for inclusion in a prospectus for a planned listing on the Australian Securities Exchange (ASX).

Property Location and Description

AKO has three Iron ore projects in Madagascar – Bekisopa, Tratramarina and Ambodilafa and the 12 exploration licences controlled by AKO are located in the east and south-central parts of Madagascar, variously in the provinces of Toamasina and Fianarantsoa.

The southerly tenements in Fianarantsoa Province are collectively known as the Bekisopa project.

The Tratramarina Project is situated 160km southeast of Antananarivo on the east coast of Madagascar, whilst the Ambodilafa Project is located 45km west of the Nosy Varika port.

In total, AKO has title to some 308km² of prospective iron ore tenements across their three areas of interest.

Prior to AKO obtaining the Bekisopa licences, considerable exploration work was carried out by Bureau de Recherches Géologiques et Minières (BRGM) the French geological survey, and the United Nations Development Programme (UNDP). Iron ore occurrences were also known in the Tratramarina area.

AKO is engaged in developing a resource base on these brownfields' projects.

The projects are all accessible by road, although the condition of the access roads is not optimal, and several rivers have to be crossed. This can be problematic in the wet season, with infrastructure currently poor to non-existent. However, this is not unusual in remote locations, and could be readily addressed as the AKO work activity develops.

General Geology

All the AKO prospects lie within the Precambrian rocks of Madagascar. The Bekisopa prospect is located within Palaeoproterozoic age rocks, whereas the Tratramarina and Ambodilafa prospects are located within Archaean age rocks. These are both times that are favourable "time windows" for major iron ore deposits but suggest that Bekisopa may have quite different characteristics to the other two prospects.

As is normal for rocks of these ages, deformation is intense and complex with several episodes of deformation apparent, including several generations of folding and faulting. Recent ground magnetic data collected at the Bekisopa project shows that the magnetic unit, which represents the main iron mineralisation, is both tightly folded (possibly repeating the unit several times over a small width) and fault displaced, by up to several 10's of metres in places, and hence has a complex morphology.

The geological setting at Tratramarina and Ambodilafa is less clear but is likely to be similarly complex.

Mineralisation

The primary mineralisation at the Archean aged Tratramarina and Ambodilafa prospects appears to be sequences of magnetite-quartzite banded iron formations typical of Algoma style iron ore deposits.

At the Palaeoproterozoic aged Bekisopa prospect, there is no evidence of magnetite quartzite on surface or in the shallow pitting and trenching undertaken by previous explorers. Instead, bands of massive magnetite and hematite are seen, with some evidence of primary banding and alteration around fractures, that suggest this is a primary phenomenon and not due to weathering effects.

In between these bands of massive magnetite and hematite, zones of magnetite rich amphibolite and calc-silicates can be seen in some of the old trenches. Massive magnetite-hematite mineralisation averages 60 - 65% Fe with low silica, alumina and penalty elements such as phosphorous in the extensive previous rock chip sampling and shallow drilling. This provides an excellent target for surficial high-grade DSO mineralisation.

While there is no deeper drilling beneath this high grade near surface mineralisation, the presence of primary structures within it suggests mineralisation may continue at depth.

Historical Exploration

At Bekisopa two historical, comprehensive exploration programs have been undertaken - first by BRGM (1959 - 1962) and then by UNDP (1976 - 78). Apart from this early work, the only other significant work at Bekisopa has consisted of acquisition and interpretation of the regional geophysical data flown by Fugro on behalf of the Malagasy government by Cline Mining in the period 2005 - 2010 and surface rock chip sampling plus the recent Geophysical survey completed in late 2019 by AKO.

Exploration Target

Given the exploration to date has shown that significant areas of high-grade iron-ore mineralisation is present to at least 20m below surface over a strike extent of plus 5km, it is possible to complete an estimate of the Exploration Target tonnage of plus 50% - 60% Fe material near surface.

While this is not able to be quoted as a Mineral Resource Estimate under the guidelines of the JORC Code (2012), it does fall within the same order of magnitude as the UNDP near surface mineralisation estimates, see Table below and hence supports these numbers.

WAI Exploration Target			
	Target 1 Surficial Material	Target 2 High-grade Mineralisation to 100m Depth	Target 3 High-grade plus Intervening Disseminated Mineralisation
Tonnage Range	10 - 20	50 - 100	500 - 1,000
Grade Ranges % Fe	50 - 65	50 - 65	30 - 60

The potential quantity and grade of this target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource, and it is uncertain if further exploration will result in the estimation of a mineral resource.

The methodology in determining these tonnage ranges are shown below.

Target 1: Surficial Material			Target 2: High-Grade Mineralisation to 100m Depth			Target 3: High-grade plus Intervening Disseminated Mineralisation		
Parameters	Low Range	High Range	Parameters	Low Range	High Range	Parameters	Low Range	High Range
Length (M)	5,000	5,000	Length (M)	5,000	5,000	Length (M)	5,000	5,000
Width (M)	200	200	Width (M)	50	50	Width (M)	50	100
Depth (M)	2.5	5	Depth (M)	50	100	Depth (M)	500	500
Specific Gravity	4.0	4.0	Specific Gravity	4.0	4.0	Specific Gravity	4.0	4.0
Tonnage Range	10,000,000	20,000,000	Tonnage Range	50,000,000	100,000,000	Tonnage Range	500,000,000	1,000,000,000

To confirm the exploration targets detailed above, AKO intend to complete a programme of drilling (2,000 - 3,000m see Table 16.1) to test the main magnetic anomaly and mapped iron mineralisation at Bekisopa, and additional ground magnetics, to also define the magnetic anomalies, with associated geological mapping and rock chip sampling over the highest priority targets.

The main aim is to test for the near surface mineralisation and the down dip potential of the known high-grade surface mineralisation, based on a combination of drilling, mapping, trench/pit sampling and ground magnetic surveying.

These works shall be completed over the next 2 years and are intended to allow (results dependant), for the completion of a Mineral Resource Estimate in accordance with the guidelines of the JORC Code (2012).

Recent Exploration and Evaluation

From 2004 - 2010, Cline Mining acquired, processed and interpreted the airborne geophysical surveys completed by Fugro on behalf of the Malagasy government. In addition, Cline Mining conducted its own ground magnetics and gravity surveys over the Bekisopa project area.

Since acquiring Bekisopa in 2014, AKO has carried out geological mapping and surface and rock chip sampling which has confirmed the prospectivity of high grade, surficial material and suggested this is not typical magnetite-quartzite BIF style mineralisation. Recent ground magnetic surveying (2019) has shown magnetite mineralisation continues at depth, with geophysical modelling suggesting depths of at least 500m in places.

At Tratramarina and Ambodilafa, AKO exploration and evaluation work has comprised surface mapping and sampling, diamond drilling and preliminary metallurgical testwork. This work has confirmed the presence of significant thicknesses of magnetite-quartzite BIF, which is readily upgradeable to a high grade, low impurity product.

At both projects, considerable further evaluation work is required, and WAI has put forward a preliminary exploration plan and budget for all three projects, see Appendix 1, 2 & 3.

Economic Potential

It is considered that AKO has successfully demonstrated that there are significant inventories of iron mineralisation at Bekisopa, Tratramarina and Ambodilafa.

At Bekisopa, massive surficial material that contains high grade magnetite and hematite, as well as lateritic soil material and canga (consolidated iron rich gravel) was observed. Given this, there is potential for some direct shipping magnetite+/-hematite ore ("DSO") at Bekisopa. Based on the drilling results and historical non-compliant Mineral Resource estimates of previous explorers, an Exploration Target of 10 - 20Mt grading 60 - 65% Fe with low levels of penalty elements is suggested to a depth of 10m.

The potential quantity and grade of this target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource, and it is uncertain if further exploration will result in the estimation of a mineral resource.

Furthermore, additional deeper potential beneath this surficial mineralisation has been shown by recent ground magnetic surveys, with depth potential to at least 500m indicated by modelling in some areas. This suggests overall potential for 100 - 200Mt of magnetite bearing material to 100m below surface, and for 500 - 1,000Mt to 500m below surface, if the disseminated magnetite between the massive bands is included. As no deep drilling has been undertaken to date into these zones, grades are not known. However, grades may be lower than those encountered at surface if the magnetite bearing amphibolite and calc-silicate interbeds are included.

The magnetite within the interbeds between the massive high grade magnetite-hematite appears to be relatively coarse grained, and the gangue material relatively soft amphiboles and calc-silicate minerals (when compared with the hard, abrasive silica gangue in magnetite-quartzite BIF), hence this may be amenable to relatively simple concentration to produce a high grade, low impurity product.

Ordinarily, DSO material consists of hematite rather than magnetite. Both these minerals are noted in the massive mineralisation outcrops at Bekisopa, but it is unclear whether the hematite is primary or a weathering product. Initial work should be completed to confirm the relative proportions of magnetite and hematite in the DSO material and its propensity to be upgraded. However, upgrading may not be necessary given the already high-grade nature of this material along with its propensity to break into good sized lumps, ideal for premium lump ore.

While the infrastructure to transport saleable product to port is undeveloped, AKO has undertaken a transport study for the Bekisopa project, which reportedly demonstrated transport viability at a reasonable cost.

The Tratramarina and Ambodilafa prospects, which are some 15km and 65km respectively from a potential port, are considered to have excellent infrastructure options.

Summary

AKO has completed initial exploration work at the Bekisopa, Tratramarina, and Ambodilafa sites that are respectively, ±220km, 15km, and 45km from the coast.

Bekisopa is a large tenement that has the potential to host moderate tonnages of high-grade DSO surficial mineralisation and large tonnages of primary mineralisation of unknown grade.

The Tratramarina and Ambodilafa prospects have potential for large tonnages of magnetite-quartzite mineralisation and have less infrastructure challenges than those that exist at other similar projects.

Whilst the projects are at an early stage, there are positive factors associated with the projects, namely:

- The Bekisopa prospect has an Exploration Target ranging between 10 - 20Mt @ 60 - 65% Fe (to a depth of around 10m), and 50M to 100Mt at similar grades (60 - 65%) that can be interpreted to 100m depth.
 - *The potential quantity and grade is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource, and it is uncertain if further exploration will result in the estimation of a mineral resource.*

- This mineralisation is open at depth and recent ground magnetic surveys suggest magnetite mineralisation continues to at least 500m in places. It is unclear whether the plus 60% material will continue at depth, but several features, including primary textures in the surficial mineralisation, are promising. Even at lower grades and assuming some of the magnetic signature is due to interbedded magnetite bearing amphibolites and calc-silicates, potential for large tonnages (0.5 - 1Bt) of easily upgradeable mineralisation grading 30% to 60% Fe appear to be excellent.
 - *The potential quantity and grade is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource, and it is uncertain if further exploration will result in the estimation of a mineral resource.*

- The extremely close access to infrastructure for the Tratramarina and Ambodilafa projects (± 15 km and 45km respectively) means transport and capital costs may be significantly lower than similar prospects further away from infrastructure.

AKO intends to raise a minimum of AUD\$4M to a maximum of AUD\$5M and spend from AUD\$2.3M up to AUD\$2.9M on exploration over the next 18 - 24 months.

WAI has recommended a Phased Exploration Plan to continue the works completed to date, see Appendix 1, 2 and 3, with the aim of improving the knowledge of the lateral extents of the projects, and completing limited drilling that **may** allow (subject to results) for the calculation of a Maiden Mineral Resource Estimate in accordance with the guidelines of the JORC Code (2012) or similar international code on one or more of the projects.

1 TERMS OF REFERENCE AND INTRODUCTION

1.1 Terms of Reference and Scope of Works

Wardell Armstrong International (“WAI”) was commissioned by AKORA Resources Limited ACN 139 847 555 (“AKO”) to produce an Independent Geologists Report (“IGR”) on the exploration, geology and evaluation of their iron ore assets in Madagascar for inclusion in a prospectus to raise a minimum of AUD\$4M to a maximum of AUD\$5M.

This document reports on the geology and exploration of, and mineralisation present on, the AKO licences with a view to gaining a preliminary understanding of the economic viability of the iron ore mineralisation.

1.2 Sources of Information and Data

Most of the more detailed geological data and information contained in this report has been sourced both from AKO’s collation of the historical exploration/evaluation work, and the results of more recent work carried out by AKO themselves, and their consultant Mr Anthony (Tony) Truelove.

Tony Truelove was engaged initially to review all historical work including AKORA Resources studies. Following this encouraging review, Tony visited Madagascar in October 2019 and spent a week in the AKO Antananarivo office going over all Bekisopa work with the two AKO geologists. Then with this background Tony visited the Bekisopa site and over a week completed an extensive ground geological study and oversaw the ground magnetic survey work, this is in addition to the work previously reviewed by WAI when visiting Madagascar and the sites in August 2017.

As at the Prospectus Date, Tony Truelove is a shareholder of AKO and reportedly holds 4,545 Shares (approximately 0.011% of the Company's total issued share capital). At Admission, Tony Truelove will be diluted and will hold approximately 0.008% on a minimum subscription and maximum subscription basis. Tony Truelove paid AUD20,000 for his shares in 2011, this is some 8 years prior to being engaged by AKO.

WAI is satisfied that this investment is historic, and clearly was made prior to Tony’s engagement with AKO. WAI is also satisfied that this investment has not influenced Tony’s findings.

WAI has reviewed the information, and then independently arrived at the conclusions based upon the photographic evidence and descriptions, and hence the information described, and conclusions made in the report below, are WAI’s opinion.

The regional geological data has been sourced from the public domain, including work carried out by the Madagascar Geological Survey.

All these data have been augmented by discussions with AKO personnel, notably the CEO, Mr Paul Bibby, and the two Malagasy geologists employed by AKO, Messrs. Santatriniaina Randriamananjara (“Santa”) and Thierry Andriamihaja (“Thierry”).

1.3 JORC Code (2012)

1.3.1 General

This report is written in accordance with the guidelines of the JORC Code (2012).

As part of the JORC Code there is a requirement to complete the “Table 1” at the end of the report, and in addition, a guiding principle of the JORC Code, is ‘if not, why not’, see definition below.

Table 1 provides a checklist or reference of criteria to be considered by the Competent Person in developing their documentation and in preparing the Public Report.

In the context of complying with the principles of the Code, comments relating to the items in the relevant sections of Table 1 should be provided on an ‘if not, why not’ basis within the Competent Person’s documentation. Additionally comments related to the relevant sections of Table 1 must be complied with on an ‘if not, why not’ basis within Public Reporting for significant projects (see Appendix 1 Generic Terms and Equivalents) when reporting Exploration Results, Mineral Resources or Ore Reserves for the first time.

Table 1 also applies in instances where these items have materially changed from when they were last Publicly Reported. Reporting on an ‘if not, why not’ basis is to ensure that it is clear to an investor whether items have been considered and deemed of low consequence or are not yet addressed or resolved.

Notwithstanding the fact that currently there are NO Mineral Resources Estimates declared within this report in accordance with the guidelines of the JORC Code (2012), WAI has determined the presence of an Exploration target, see Section 1.4 Exploration Target below for definition.

1.3.2 No Site Visit by WAI in 2020

For the context of this updated IGR, the “if not, why not” principle has been examined and utilised to guide WAI in the justification as to why a site visit has not been completed, (where ordinarily a site visit would be required) whilst the IGR report has been updated with new information.

Clearly whilst a site visit is ordinarily preferable, given the Covid 19 pandemic, in this specific instance, a site visit is both **not preferable**, and a site visit **would not** have been possible given the UK and Malagasy governments’ restrictions in place prohibiting freedom of movement, the closure of state borders and the limited availability of flights to Madagascar.

WAI has worked on other mineral projects since 2013 as a service provider for Mr Tony Truelove, and WAI is well acquainted with his Geological Professionalism and Credentials, see Section 2.2 Antony (Tony) Truelove.

Therefore, given the above, WAI has largely utilised and relied on the recent site visit notes and findings of Mr Tony Truelove, and the previous IGR report completed by WAI August 2017 for Indian Pacific Resources Ltd (the previous name for AKO).

That being said, WAI recommends a site visit as soon as feasibly possible and given the planned upcoming exploration programme and the inability for consultants to currently travel out of Australia, WAI is likely to be engaged to review and sign off on the drilling.

1.4 Exploration Target

An Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource.

The potential quantities and grades of these Exploration Targets are conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource, and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

1.5 2017 Field Involvement

A WAI Geologist visited Madagascar from 10 to 19 February 2017, in the company of senior AKO personnel, and the data collected was used to complete the WAI August 2017 IGR.

2 RELIANCE ON OTHER EXPERTS

2.1 General

The opinions and conclusions presented in this report are mainly based on data collated and generated by AKO during their exploration/evaluation activities over the last several years and historical reports up to 60 years old. In addition, the original IGR completed in August 2017 was utilised. This was augmented by discussions with senior AKO personnel, and the reports and data from Antony (Tony) Truelove.

2.2 Antony (Tony) Truelove

Antony Truelove BSc (Hons), MAusIMM, MAIG

Mr Truelove is a geologist and experienced company director who graduated from Adelaide University in 1982 with a Bachelor of Science with First Class Honours majoring in geology. He is currently Technical Director of unlisted UK based company Anglo Saxony Mining Ltd; Technical Director of unlisted British Virgin Islands listed company Brazil Tungsten Holdings Ltd; COO of AIM listed company Panthera Resources Plc; and Non-Executive Director of ASX listed company Amani Gold Ltd. He has previously floated, and served as Managing Director of, ASX listed company Southern Cross Goldfields Limited and has held senior positions with Billiton, Newmont, Newcrest and Delta Gold.

Mr Truelove has over 35 years of professional experience in the resource industry covering project acquisition, mineral exploration, feasibility studies and mine geology / grade control. He has been involved with the discovery and definition of over 15 million ounces of gold and 200,000 tonnes tin, plus associated copper, zinc and indium. He has experience exploring for a variety of metals in numerous jurisdictions including Australia, Brazil, China, Germany, India, Indonesia, South Korea, UK, West Africa and Zimbabwe.

Mr Truelove has relevant experience exploring for iron-ore in the Koolyanobbing district of Western Australia (Algoma style mineralisation) and in the Proterozoic terranes of India. He also has extensive experience with iron rich magnetite skarn mineralisation.

Additional information was gained by researching the literature on the regional geology of Madagascar together with various “academic” geological/mineralogical studies of the relevant mineralisation.

Following the investigations carried out in the production of this report, it is deemed fair and reasonable to verify the reliability of the information presented here, and WAI is therefore confident, notwithstanding the age of some of the data, as to its accuracy.

Information regarding property titles, licensing agreements and environmental liabilities was supplied by AKO but was not verified during the course of the WAI site visit. However, there are no known issues around the positioning and boundaries of the licences.

WAI has not conducted a legal review of ownership or property boundaries and the information provided by WAI is for general reference only. It is understood that a legal due diligence is being conducted by AKO and this will be reported separately by the AKO legal advisors.

3 PROPERTY DESCRIPTION

3.1 Introduction - Property Locations

3.1.1 General

The 12 exploration licences controlled by AKO are comprised of 3 project areas, namely Bekisopa, Tratramarina and Ambodilafa, and they are located in the east and south-central parts of Madagascar, variously in the provinces of Toamasina and Fianarantsoa. The position of the AKO licences is shown in Figure 3.1 below.



Figure 3.1: Location of the AKO Licences in Madagascar.
 AKO Licences shown as Red Outlines

3.1.2 Bekisopa

The four southerly tenements in Fianarantsoa Province are collectively known as the Bekisopa licences and covers an area of over an area of 93.5km² and are considered by AKO to be their flagship project.

The Bekisopa licence (PR 10430) is situated 350km southwest of Antananarivo and 125km west-southwest of Fianarantsoa, the regional centre. The topography is characterised by grasslands and gentle rounded hills. A few villages are to be observed comprising a small regional population of the Bara ethnic group on the drive from the RN 7 to the site, including Tanamarina, which is the communal head village for the prospect. Bekisopa village is the closest village to the prospect approximately 7km away.

3.1.3 Tratramarina

The Tratramarina project (and prospects) comprise 5 licences and covers an area of 162.5km² and is situated 160km southeast of Antananarivo on the east coast of Madagascar. The Town of Mahanoro is the largest town in the Mahanoro District and is 15km northeast of the Tratramarina prospects. Mahanoro is served by a sealed road 350km from Antananarivo (7Hrs), and the prospects are accessed via a 28km dirt road from Mahanoro (2Hrs).

3.1.4 Ambodilafa

The Ambodilafa (aka. Samelahy) project tenement area is comprised of 3 licences and covers an area of 52.33km² and is located 45km west of the coastal village of Nosy Varika, which is under the political jurisdiction of Fianarantsoa Province.

3.2 Mineral Title

The AKO Iron Ore projects consist of 12 exploration permits in three geographically distinct areas, and their current good standing (as provided by AKO) is seen in Table 3.1 below, and a legal report has been prepared for AKO.

Table 3.1: Licence Details

Project ID	Tenement Holders	Permit ID	Permit Type	Number of Blocks	Granting Date	Expiry Date	Submission Date	Actual Status	Last Payment of Administration Fees	Date of last Payment
Tratramarina	UEM	16635	PR	144	23/09/2005	22/09/2015	04/09/2015	under renewal process	2018	27/03/2018
	UEM	16637	PR	48	23/09/2005	23/09/2015	04/09/2015	under renewal process	2018	27/03/2018
	UEM	17245	PR	160	10/11/2005	09/11/2015	04/09/2015	under renewal process	2018	27/03/2018
	RAKOTOARISOA	18379	PRE	16	11/01/2006	11/01/2014	27/03/2012	under transformation to PR	2018	27/03/2018
	RAKOTOARISOA	18891	PRE	48	18/11/2005	17/11/2013	27/03/2012	under transformation to PR	2018	27/03/2018
Ambodilafa	MRM	6595	PR	98	20/05/2003	19/05/2013	08/03/2013	under renewal process	2018	27/03/2018
	MRM	13011	PR	33	15/10/2004	14/10/2014	07/08/2014	under renewal process	2018	27/03/2018
	MRM	21910	PR	3	23/09/2005	22/09/2015	12/07/2015	under substance extension and renewal process	2018	27/03/2018
Bekisopa	IOCM	10430	PR	64	04/03/2004	03/03/2014	28/11/2013	under renewal process	2019	28/03/2019
		26532	PR	768	16/10/2007	03/02/2019		relinquished	2016	
		35828	PR	80	16/10/2007	03/02/2019		relinquished	2018	27/03/2018
		27211	PR	128	16/10/2007	23/01/2017	20/01/2017	under renewal process	2018	27/03/2018
		35827	PR	32	23/01/2007	23/01/2017	20/01/2017	under renewal process	2018	27/03/2018
	RAZAFINDRAVOLA	3757	PRE	16	26/03/2001	25/11/2019		Transfer from IOCM Gerant to AKO	2019	28/03/2019

The Bekisopa group of licences is located approximately 100km west of the provincial capital of Fianarantsoa and 360km south-southwest of the Madagascan capital of Antananarivo.

They are centred at coordinate 58,000E and 760,000S (UTM Zone 38), which approximates to 21° 55' south and 45° 45' East based on the WGS 84 datum.

The coastal licences are located approximately 160km southeast of Antananarivo and are centred at coordinate 860,000E by 7,760,000S (approximately) in the UTM Zone 38 system, which approximates to 20° 15' South and 48° 25' East based on the WGS 84 datum.

All tenements are currently being renewed.

The following Figure 3.2 is an extract from a commentary on the new mining law and regulations:

A new Mining Code adopted in 1999 laid the foundation for the renewal of the sector's governance. (Law No 99-002 of 19 August 1999) It stipulates that all natural mineral deposits are owned by the state and created the Mining Cadastre Office (BCMM), established as an arm's-length agency under the authority of the Ministry of Mines, funded through administrative mining fees. The BCMM replaced a discretionary system of mining permit management with a first-come, first-served principle, facilitating access of international exploration companies to Madagascar's mining resources and provides the basis for formalizing artisanal mining. The Mining Code was revised in 2005 to make it more operational (Law Nr. 2005 – 021) and its application decree dates of December (Decree Nr. 2006-910).

The Mining Code was completed in 2002 by the adoption of a special legal framework for large-scale mining investments. The Law on Large-scale Mining Investment (LGIM, Law Nr. 2001-031) provides a privileged tax régime for mining projects above an investment threshold of about \$100 million (US). The privileges include an exemption from value-added tax and a reduced income tax level. The law provides large-scale investors with fiscal stability by guaranteeing conditions for the duration of the Exploitation Permit (which can go up to 40 years). The law also aims at encouraging industrialization by offering a reduced income tax level to companies that transform mineral resources in country. So far, the Ambatovy project owned by Sherritt is the only project governed by the LGIM. Like the Mining Code, the LGIM was revised in 2005 (Law Nr. 2005-022), lowering the eligibility threshold for the LGIM to about US \$25 million. Before the Mining Code was enacted, companies could negotiate with the government. This is why the QMM project is governed by a unique framework agreement dating of 1998 which has the status of a law but is valid for 25 years.

Figure 3.2: Commentary on the New Mining Law and Regulations

WAI Comment: *The Mining Law and regulations appear to provide a clear path to ownership and project development.*

3.3 COVID 19

The Madagascar Government appear to be taking reasonable steps to contain the recent outbreak as outlined in Section 8.1 of the Prospectus.

3.4 Legal Survey

The properties were not legally surveyed during this study. It is understood by WAI that a separate legal due diligence is being undertaken for the listing requirements by AKO.

3.5 Location of Mineral Occurrences and Historical Workings

After the initial recognition of the Bekisopa iron ore occurrence in the 1930s by Henri Bésaire, some considerable exploration work was carried out by various agencies, e.g. BRGM. UNDP. Iron mineralisation occurrences were also known in the areas where the Tratramarina Licences are located.

Consequently, as “brownfields” projects, AKO is currently engaged in developing a resource base through the company’s own exploration/evaluation work.

4 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE & PHYSIOGRAPHY

4.1 Accessibility

In common with most areas of Madagascar, access to the AKO tenements is reasonably straightforward but time-consuming. This is due to the main roads, while being paved, are narrow and lacking in passing places, especially in the mountainous areas which cover a large portion of the island.

River crossings can be problematic, especially in the wet season, as bridges are either non-existent, or very old.

Access to the AKO tenements will have to be managed during the exploration phase in order to take advantage of the dry months. Alternatively, bridges, or some other form of river crossing (pontoons), may have to be constructed.

The general access to all the AKO tenements is shown in Figure 4.1 (below):

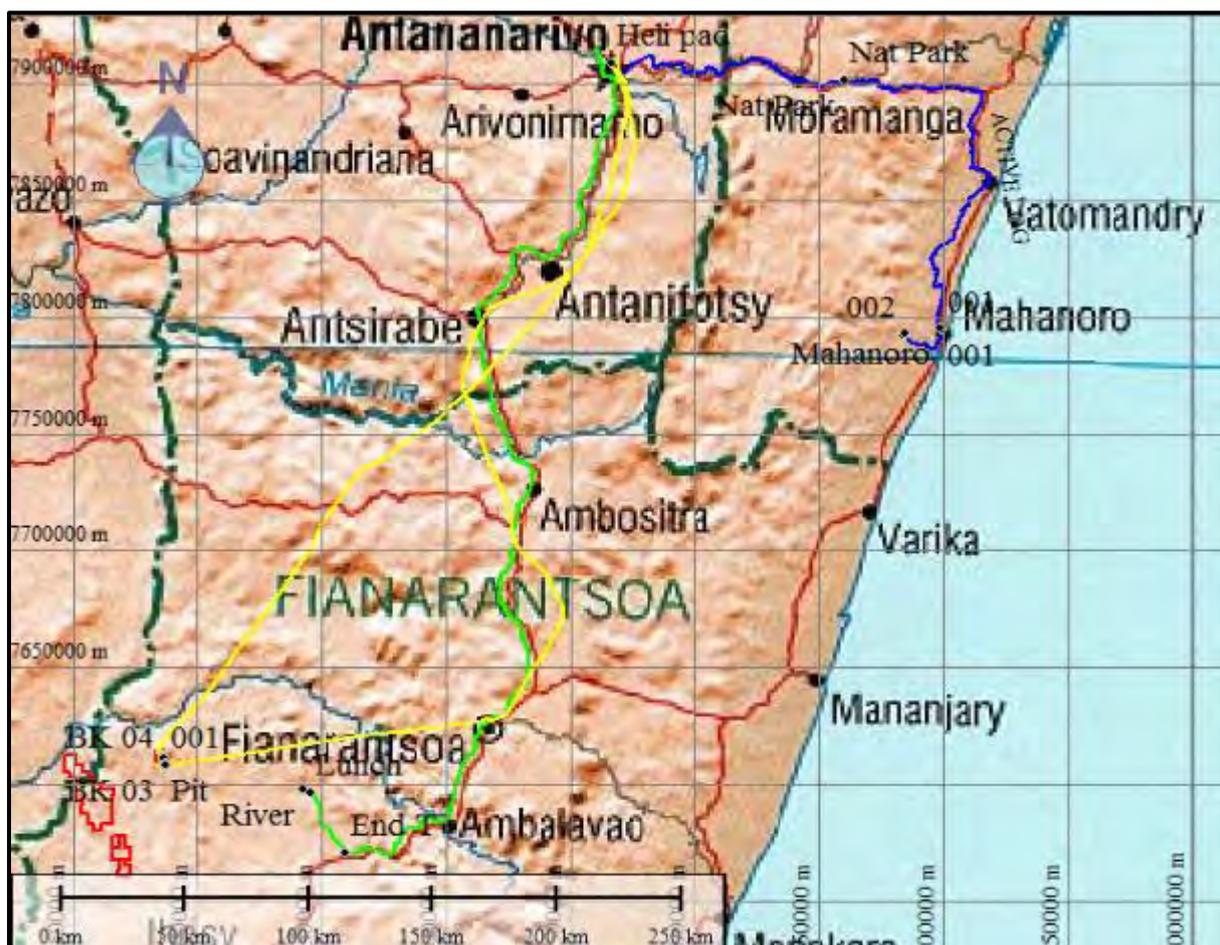


Figure 4.1: General Access Routes to the Bekisopa Tenements (Red Polygons)

- Land route to Bekisopa = green track
- Helicopter route in 2017 visit to Bekisopa = yellow track
- Land route to Tratramarina = blue track

4.1.1 Bekisopa

Access to the main Bekisopa licences on the 2017 site visit involved:

- Two days driving on a narrow, paved road from Antananarivo, to a point some 100km southwest of Fianarantsoa; and
- Followed by 35km of dirt track to a river that will be readily usable in the dry season;
 - The river was wide, fast-flowing with a sandy bed (see Photo 4.1 below).



Photo 4.1: River on the Land Route to Bekisopa

There is apparently another, faster road access route a little to the southwest, but this also involves a river crossing. Consequently, for the 2017 site visit, it was necessary to utilise a helicopter (yellow track on Figure 4.1 above), which allowed a few hours on site.

As normally required, a well set up camp will be necessary for the next phase of exploration and fortunately, travel around the project site presents very few problems. Currently, there are no drivable tracks, however, once an exploration program commences, establishment of a camp and tracks should be straight forward.

During the 2019 site visit by Tony Truelove, it was possible to drive directly to the mineralisation. Once on site, it was easy to drive to most areas of interest due to the gently topography and lack of vegetation.

4.1.2 *Tratramarina*

Access to the Tratramarina licences is via the main highway from the port of Toamasina which is busy, as this is the main port on the east coast with many large container trucks, and this involves a day's drive, (see Figure 4.2 below), which includes:

- Driving ~150km from Antananarivo to the coast utilising the route to Toamasina. As this is the main port on the east coast, the road is very busy with many large container trucks;
- Once the coast road is joined, a further ~120km of paved road leads south to Mahanoro;
- From Mahanoro, a local dirt road leads into the hills for ~25km until a (currently) uncrossable, bridge halted progress; and
- From there it is necessary to walk on the network of generally good paths, interspersed with rough country through banana plantations and secondary forest growth, to the area of interest, i.e. where AKO drilled a number of boreholes.



Figure 4.2: General Access Routes to the Tratramarina Tenements (Red Polygons)

Land route to Tratramarina = blue track

4.1.3 *Ambodilafa*

Ambodilafa was not inspected on the 2017 site visit and the following information on access has been provided by AKO.

The project, centred on UTM coordinates at 204,835(-E) and 7,748,820(-N) (UTM WGS 84) is located at about 170km (linear distance) SSE from Antananarivo and 65km (linear distance) SW from Tratramarina UEM project (see Figure 4.3 below).

From Antananarivo, the area could be accessed by off-road vehicle for 570km:

- 360km sealed road to Mahanoro;
- 90km unpaved/sandy road from Mahanoro to Nosy Varika, including 5 river crossing by ferry boats;
- 90km unpaved/dirty road from Nosy Varika up to Soavina, including 1 river crossing by ferry boat; and
- 20km unpaved/ dirty road from Soavina up to Samelahy CAMP, including 3 river crossing.

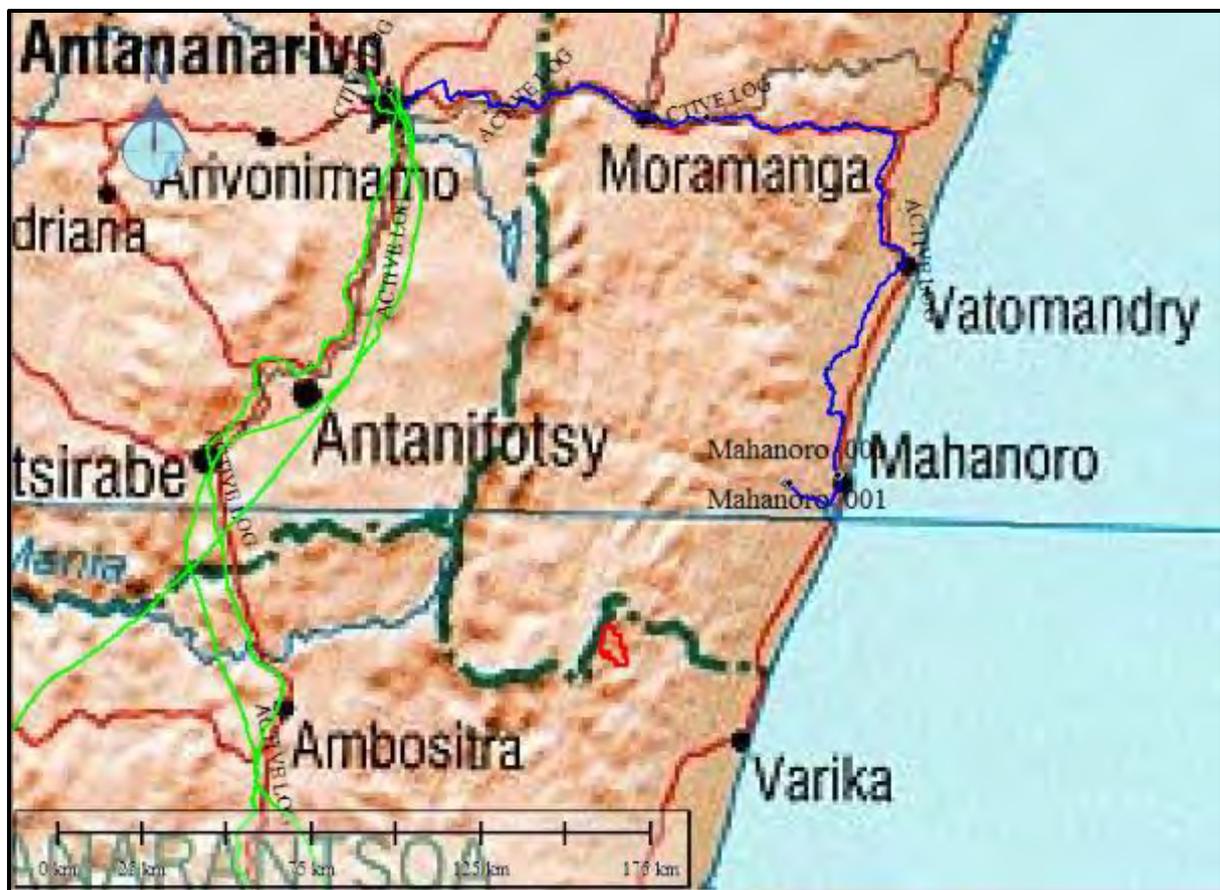


Figure 4.3: General Access Routes to the Ambodilafa Tenements (Red Polygons)

Land route to Tratramarina = blue track

4.2 Climate

The climate of Madagascar is dominated by the south-eastern trade winds that originate in the Indian Ocean anticyclone, a centre of high atmospheric pressure that seasonally changes its position over the

ocean. Madagascar has two seasons: a hot, rainy season from November to April and a cooler, dry season from May to October.

4.2.1 *Bekisopa Area*

Climate statistics are available for the nearest large centre of Fianarantsoa where the climate is warm and temperate. The summers here have a good deal of rainfall, while the winters have very little rainfall, with the average rainfall is 1,240mm. The Köppen-Geiger climate classification is Cwb. The temperature here averages 18.7°C, see Figure 4.4 below.

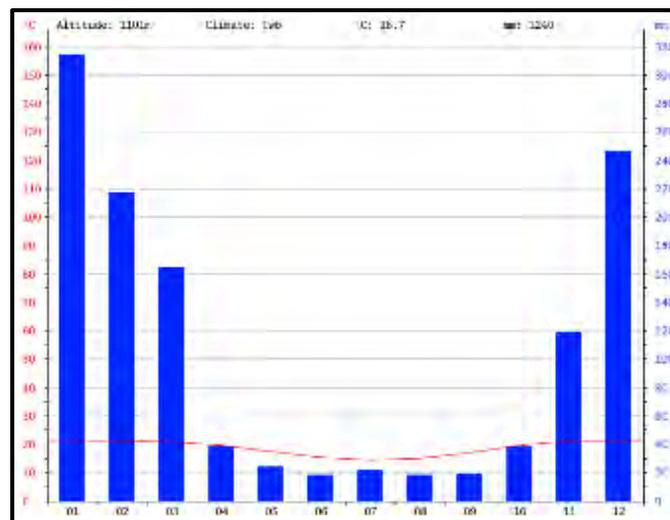


Figure 4.4: Temperature and Precipitation Régime for Fianarantsoa

4.2.2 *Tratramarina Area*

The nearest centre for which climate statistics are available is Vatomandry. Vatomandry has a significant amount of rainfall during the year with the rainfall averaging 2,932mm pa. This climate is considered to be “Af” according to the Köppen-Geiger climate classification, with the average temperature in Vatomandry is 23.6°C, see Figure 4.5 below.

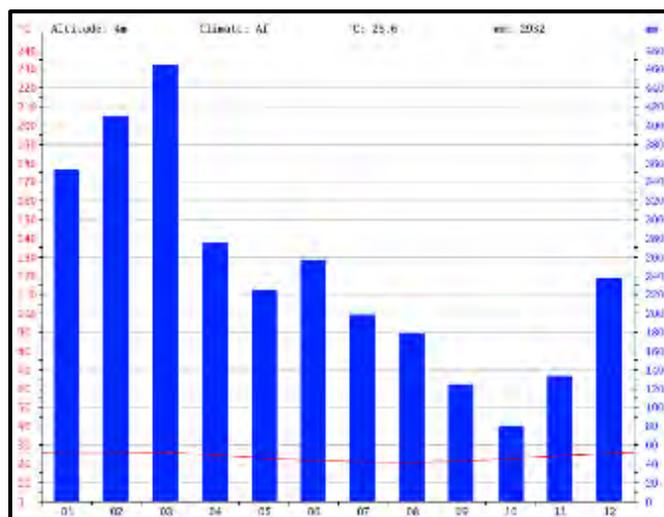


Figure 4.5: Temperature and Precipitation Régime for Vatomandry

4.3 Local Resources

4.3.1 Bekisopa

The Bekisopa site is relatively remote from any centres of population in the form of villages or other dwelling places. A few herdsmen, for the zebu, were encountered on site. Consequently, the available resources are few, and any operation, be it exploration or exploitation will need to be self-sufficient. Water could be pumped or trucked from the nearest river as is common with such operations. Labour will probably have to be brought in.

The nearest big town with any facilities is Fianarantsoa.

4.3.2 Tratramarina

The Tratramarina tenements are located very near the east coast of Madagascar, and therefore close to the north-south coastal road. Mahanoro is the nearest town of any size. The population is estimated to be in the 40,000 range and it is noted that it is not a well set up town and facilities are few.

However, in 2011 to 2012 an exploration camp was successfully set up and a number of local villagers were employed, therefore, it should be easy to set up a well-appointed camp and labour should be available on-site.

4.3.3 Ambodilafa

The Ambodilafa tenements are located within the Soavina-East commune. Although, located not very far away from the East coast, the access to this small town is a challenge especial during rainy season. However, due to its richness in local products (coffee, rice, vanilla etc), more than 30,000 people are living in the area, and would be a good source of labour as was demonstrated during the 2013 exploration activity.

4.4 Infrastructure

4.4.1 Bekisopa

As noted above, the infrastructure around the Bekisopa tenements is poor to non-existent and any operation will have to be self-sufficient. Careful planning to take access in the rainy season into account will be required.

4.4.2 Tratramarina

While not as remote as Bekisopa, the Tratramarina area lacks the basic infrastructure, however, its proximity to larger centres of population will be of material assistance.

4.4.3 Ambodilafa

Although, roads exist, the last portion ± 40 km, needs to be graded. Similar to Tratramarina, the Ambodilafa area currently lacks the basic local infrastructure needed to run a mining exploration programme, so careful planning will be required.

4.5 Physiography and Vegetation

Madagascar is generally described as a plateau, rising sharply from the narrow plain of the east coast and descending in a series of steps to the strip of sedimentary rocks along the west coast.

The high plateau is much indented and, on the eastern edge, cut by deep gorges and waterfalls.

There are numerous volcanic outcrops that produce heights over 1,800m; the highest point is Mount Maromokotro (2,876m) in the Tsaratanana Massif.

The eastern coast is almost straight and has very few anchorages. Behind its coral beaches there is an almost continuous line of lagoons from Foulpointe to Farafangana. These are linked by manmade channels to form an inland waterway called the Pangalanes Canal. The island's major rivers flow westward and are navigable for about 160km inland.

4.5.1 Bekisopa

The most striking feature of the physiography of the general area (see Figure 4.6 below) is the strong generally north-south "grain" which accurately reflects the geology. The alignment of the ridges is especially pronounced in the areas covered by the AKO tenements. The highest and steepest ridges are formed by quartzite while the iron mineralisation forms lower undulating topographic highs between the quartzite ridges, see Figure 4.7 below.

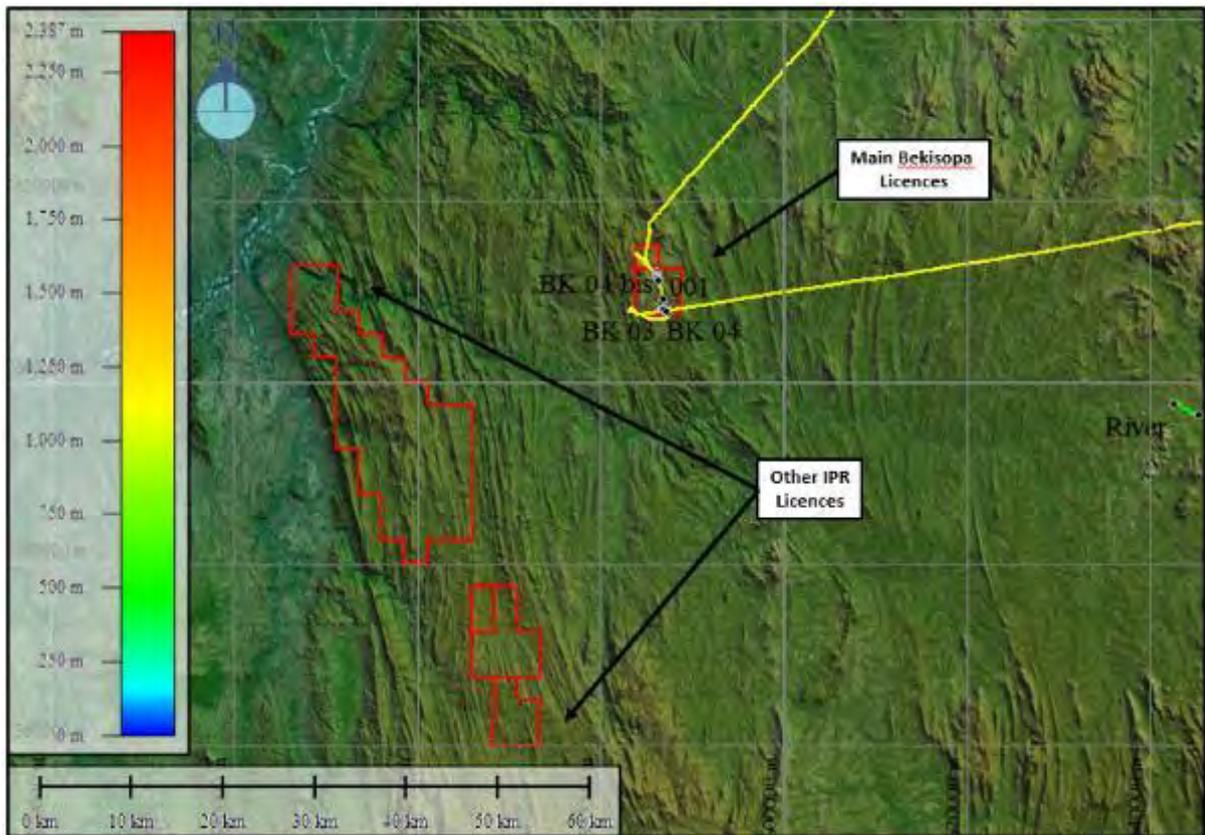


Figure 4.6: Physiography of the Bekisopa Area
Overlay on Satellite Image
AKO Exploration Permits – Red Outlines
Helicopter Route in 2017 visit to Bekisopa (main) in Yellow
Grid is at 20km Intervals

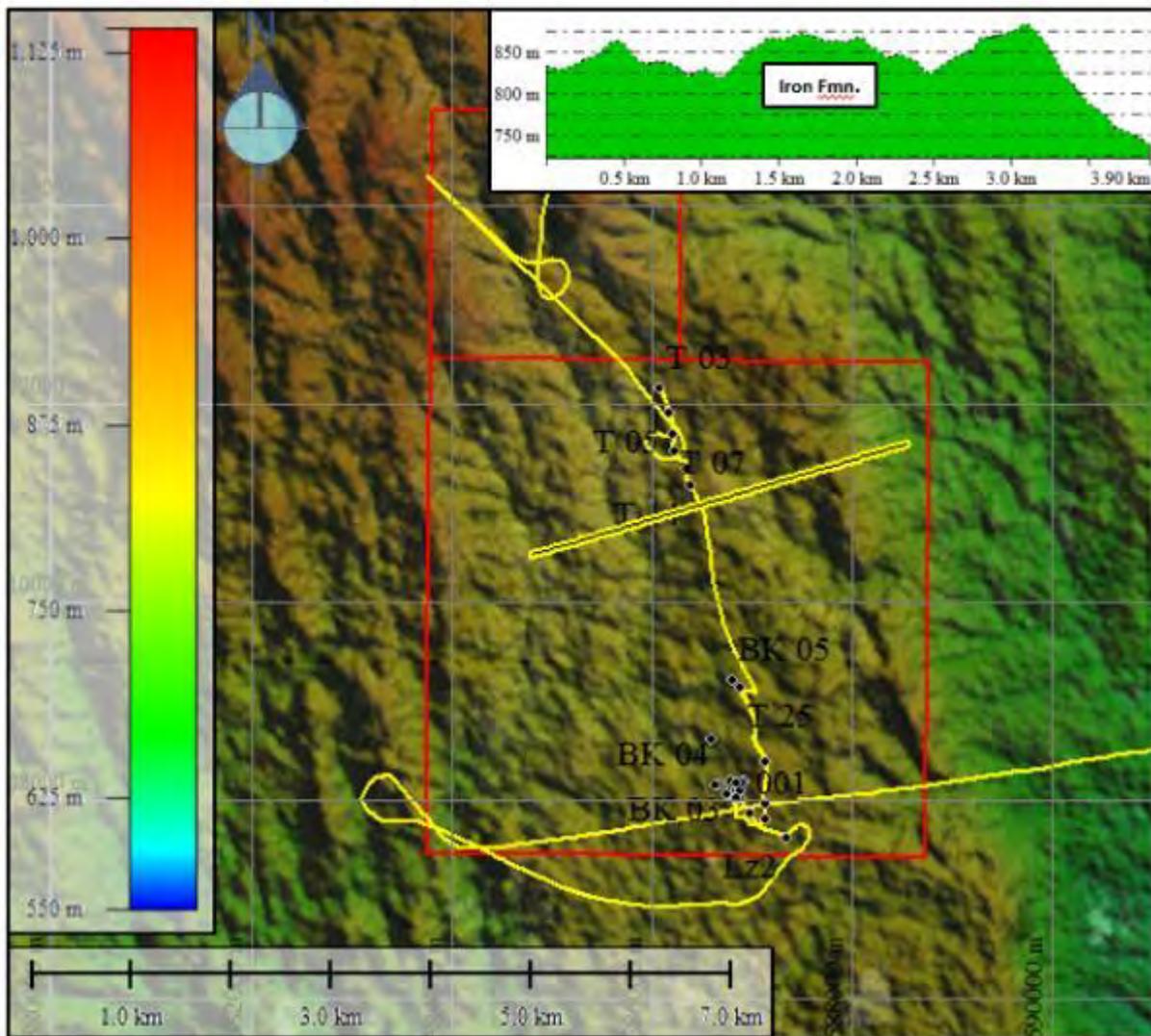


Figure 4.7: Digital Elevation Model (DEM) and Profile of the Bekisopa Iron Ore Ridge

The vegetation cover on the Bekisopa licences is best characterised as savannah with scrubby grasses and small trees dominating over the iron formation. This is a common feature of iron ore deposits in tropical areas around the world, e.g. Carajás, Simandou.

In the wetter areas – streams and minor wetlands, the vegetation is thicker and consists of tall grasses and reeds.

There is no cultivation to speak of due to the poor soils, iron ore rubble and scree that predominate, see Photo 4.2 below.



**Photo 4.2: Typical Landscape in the Bekisopa Project Area
which is Favourable for Exploration and Development Activities**

4.5.2 *Tratramarina*

While the same theme dominates at Tratramarina with the BIF forming prominent hills, the physiography is more complex, see Figure 4.8 below, probably due to the “disjointed” structure of the iron formation.

The topography is surprisingly rugged when the absolute heights above sea level (between 40m and 120m in the critical area) are considered, and as noted above, access to these areas is an issue.

However, AKO successfully drilled seven boreholes between 2011 to 2012, some to depths of 200m, showing that it is feasible to run a full-scale exploration programme.

The overall physiographic picture is shown in Figure 4.8 (below). It is clear that the (relatively) major Mangoro River dominates the drainage with all the minor streams flowing towards it.

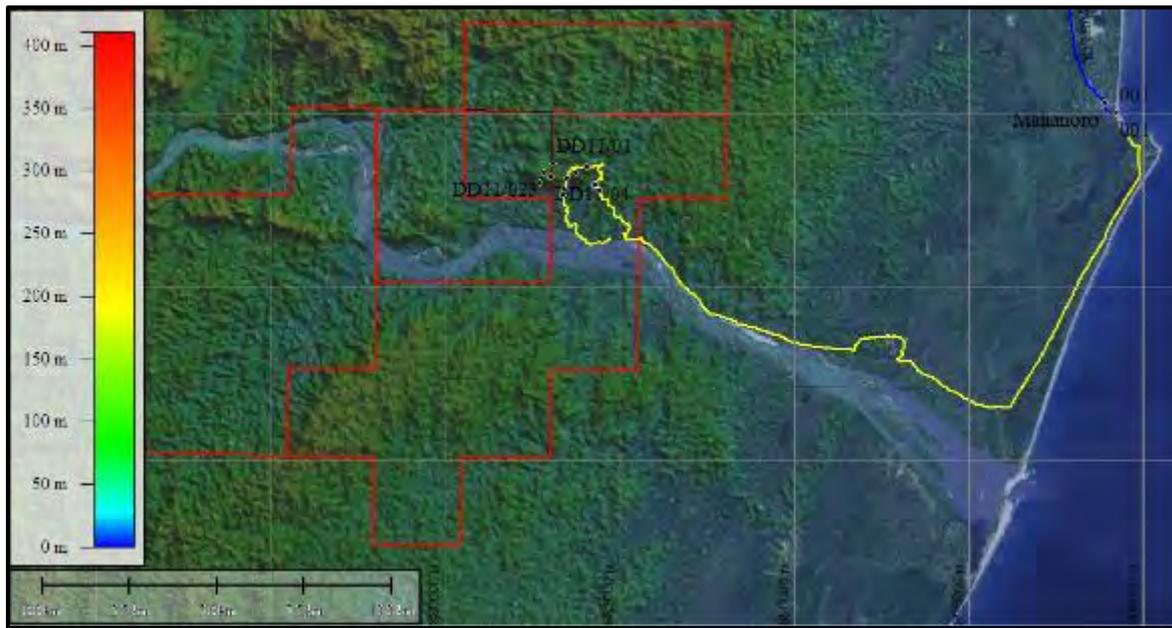


Figure 4.8: Physiography of the Tratramarina Licences
 Overlain on Satellite Image
 Trajectory of 2017 Site Visit = Yellow Track

The hills forming the (currently understood) main target lie to the north of the river, some of the borehole sites are indicated on the detailed topography map of the site visit and the boreholes are shown on Figure 4.9 below.

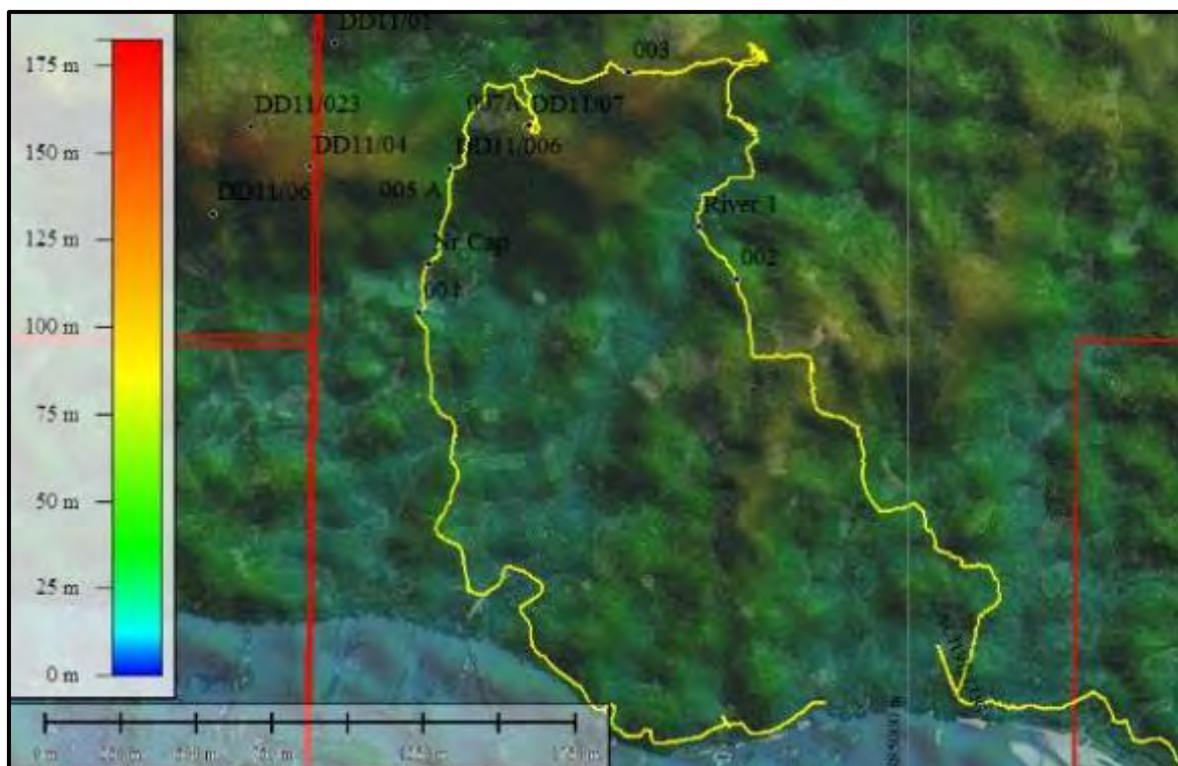


Figure 4.9: Physiography of the Site Visit Area
 Overlain on Satellite Image, Trajectory of 2017 Site Visit = Yellow Track, DH in Black

There is some cultivation of the area of the licence in general and the main target (above) in particular. This is mostly in the form of (subsistence-based) banana plantations which cover even the steep hillsides, see Photo 4.3 below. Where the plantations are absent there is a thick, secondary forest growth. Bamboo is also abundant and is used in the local “construction” industry.



Photo 4.3: Typical Landscape and Vegetation in the Tratramarina Project Area

4.5.3 Ambodilafa

As noted previously, the Ambodilafa prospect was not included in the site visit due to access/time issues, see Figure 4.10 below.

The topographical information included here is taken from the available imagery and maps. While definitive comment is not possible, it is clear that the same situation as per Bekisopa and Tratramarina applies here, i.e. the prospective iron ore horizon forms an elongated ridge.

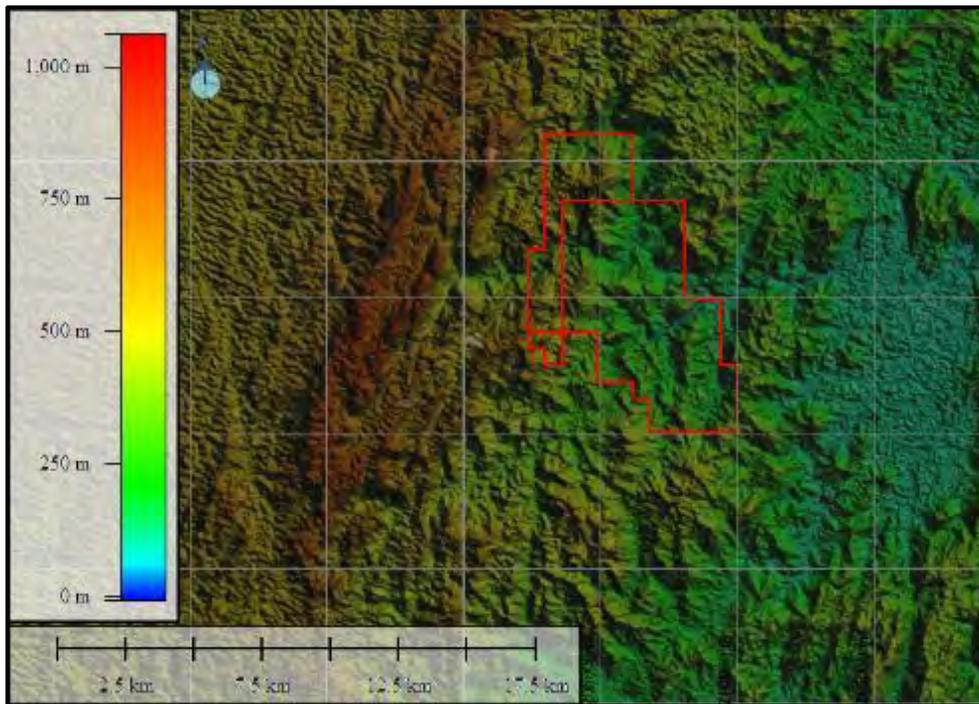


Figure 4.10: Physiography of the area Ambodilafa Licences
Overlay on Satellite Image

5 IRON ORE DEPOSIT TYPES

5.1 General

The detailed geology and the mineralisation on the AKO tenements are described and discussed below.

There are many different types of iron ore deposit of greater and lesser significance economically, these include:

- Banded Iron Formations (“BIF”);
- High-grade DSO Iron Ore deposits developed from BIF;
- Oolitic Ironstones;
- Magmatic “Kiruna Type” Deposits;
- Metasomatic/Skarn Deposits;
- Iron Oxide Copper Gold (IOCG) Type Iron Deposits; and
- Other Deposit Types.

Of these, the BIF and associated high-grade DSO deposits, the Kiruna type, the IOCG type and the metasomatic/skarns are potentially of interest on the AKO tenements in Madagascar.

Production today is almost entirely from four types of deposit, see Table 5.1 below:

- Deposits related to Precambrian banded iron formations provide about 90% of all iron ore mined;
- Metasomatic/skarn;
- IOCG; and
- Magmatic Kiruna type magnetite deposits (possibly a subset of IOCG type).

Table 5.1: Examples of the Major Types of Iron Ore Deposits					
Deposit Type	Maximum Deposit Size (Mt ore)	Grade (wt % Fe)	Orebody Shape	Remarks	Examples
<i>Supergene/hypogene enriched BIF</i>					
Transvaal – Hamersley – type	>1,000	56 - 69	Sheet, Lens	Predominant Importance	Sishen (S-Africa), Serra do Carajas (Brazil), Mt. Tom Price (WA)
Algoma – type	<100	50 - 67	Sheet, Lens, Shoot	Rare Type	Buhwa (Zimbabwe)
Rapitan – type	<1,000	50 - 58	Sheet, Lens	Rare Type	Urucum (Brazil)
Taconite	>10,000	15 - 40	Stratiform Bed	Low Grade Resource	Mesabi Range (USA)
Itabirite	>1,000	35 - 50	Stratiform Bed	Not Mined	Brazil, Australia
<i>Metamorphosed BIF</i>					
Oolitic Ironstone	500	25 - 45	Stratiform Bed	Not Mined	Minette (Europe), Cinton (USA)
Reworked Laterite	>1,000	50 - 59	Channel Deposit	Significant Exploration Potential	Robe River (Australia)
<i>Magmatic Deposits</i>					
In Mafic & Ultramafic Rocks	>1,000	30 - 60	Plug, Layer, Irregular Bodies	Not Mined	Bushveld Magnetite Layers & Plugs; Taberg (Sweden)
In Alkaline Complexes	2,500	60 - 65	Massive Tabular, Plug, Dyke, Flow	Regional Significance	Kiruna Gallivara, Grangesberg (Sweden)
Magnetite Skarn	1,000	40 - 60	Irregular Mass, Vein, Plug	Regional Significance	Magnitaya Gora (Russia)
Siderite Skarn	<100	20 - 60	Irregular Mass	Regional Significance	Marquesado (Spain)

Banded iron formations (or BIF) are finely bedded chemical sedimentary rocks composed of interlaminated quartz (chert) and iron-bearing minerals with an iron content of about 30wt.%.

Four principal types of BIF are distinguished, all of which are restricted to well-defined time intervals in the Precambrian (Figure 5.1 below).

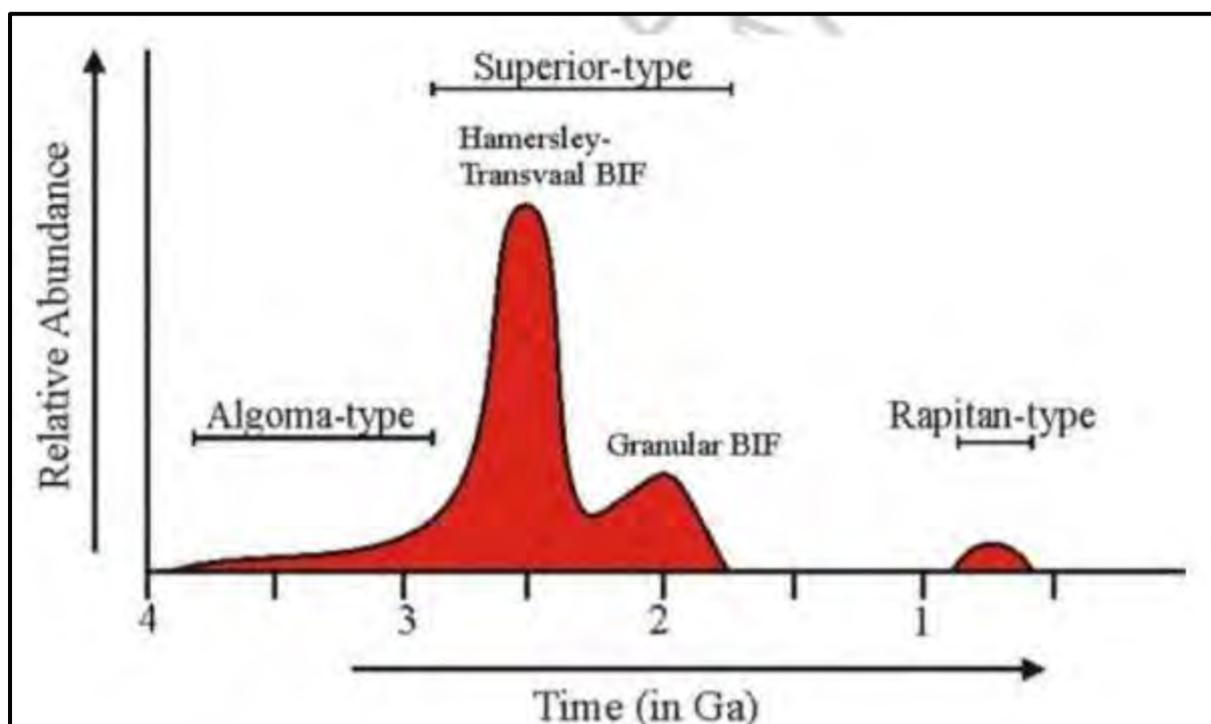


Figure 5.1: Time/Volume Distribution of BIF through Time

Algoma-type BIF is widespread in the Archean greenstone belts, prior to 2.75 Ga. Many examples are known from all Archean cratonic nuclei. Algoma-type BIF are relatively restricted and always in close association with mafic volcanic rocks.

Hamersley-Transvaal-type BIF are very large and laterally extensive iron formations that are essentially restricted between 2.0 Ga and 2.75 Ga. They represent by far the largest BIF deposits known and formed as finely laminated mud below the wave base of the extensive shelf platforms that developed around the first large stable cratons.

Type examples are found in the Hamersley Group (Australia) and in the Transvaal Supergroup of South Africa.

5.2 Iron Ore Deposit Types in Madagascar

Given the current level of knowledge of the mineralisation on the AKO tenements, the following points are relevant:

- Bekisopa – there is no evidence of the silica-magnetite banded lithologies typical of BIF's within the Bekisopa area. The main lithologies are calc-silicates, amphibolites and marble of Palaeoproterozoic age. A magnetite-amphibole rock is common, and this appears to grade into massive magnetite-hematite layers and lenses. Thus, the mineralisation appears to be a metasomatic alteration product and has some similarities to skarn style iron mineralisation and/or magmatic associated IOCG/Kiruna style mineralisation. Some similarities with Algoma style mineralisation are also noted and hence deposit genesis remains unresolved at present;
- Tratamarina – in WAI's view, this is undoubtedly an Archean age magnetite facies BIF (Algoma type), with the degree of alteration to hematite appearing to be minimal; and
- Ambodilafa – as WAI has not visited this site, a definitive opinion is not possible, however, the available data suggests that the iron ore is also most likely of Algoma-type.

6 MADAGASCAR REGIONAL EXPLORATION AND MINING HISTORY

6.1 General

In many ways, it is somewhat surprising that the mineral industry of Madagascar has remained relatively under-developed when compared to its peers on the African continent, particularly with regards to the number of academic studies that have been carried out concerning the overall geology.

The French Bureau de Recherches Géologiques et Minières (“BRGM”) and its predecessors did much of the early mapping and this was followed up by the Madagascan Geological Survey – in both cases notably by the “guru” of Madagascan geology, Henri Bésaire, whose work has formed the basis for all the studies on the iron ore which followed.

Until around 2014, the common interpretation of the Geology of Madagascar was as presented in Figure 6.1 below.

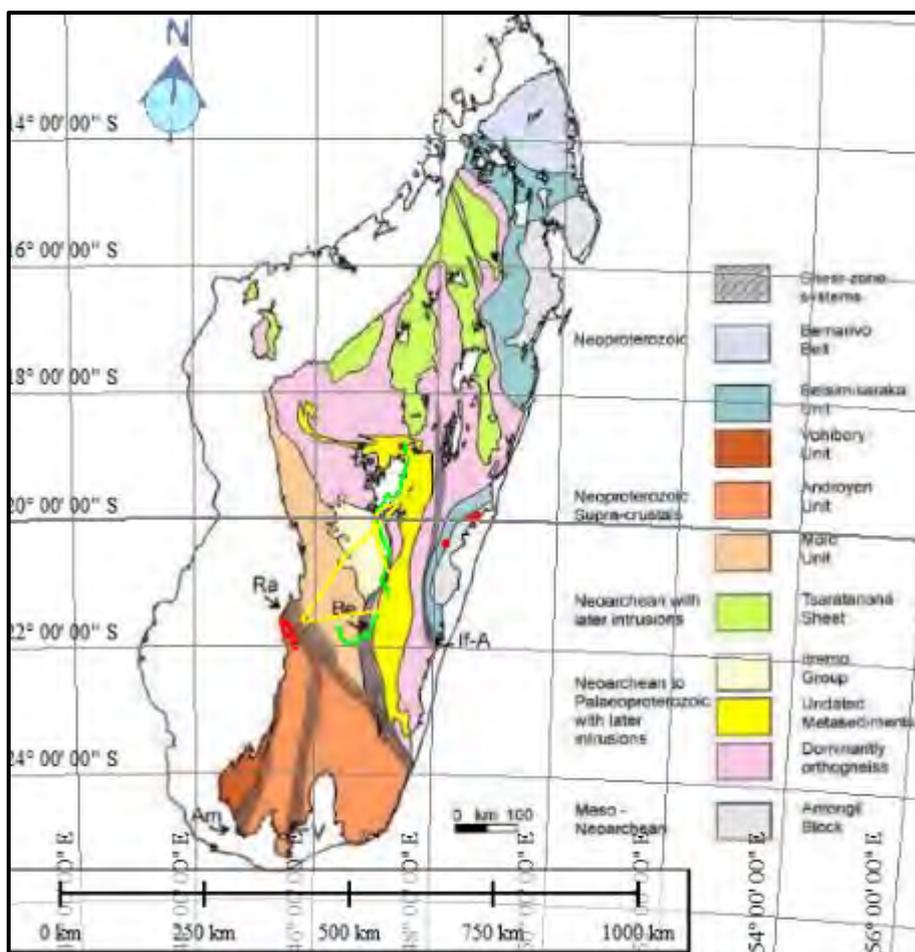


Figure 6.1: Crustal Blocks of Madagascar
 (After Collins et al, 2006)

Shear Zone Systems: Am = Ampanihy; Be = Betsileo;
 If-A = Ifanadiana-Angavo; Ra = Ranotsara; V = Vorokafotra
 AKO Tenements as Red Outlines

6.2 Updated Geology Map

More recent work has substantially modified and simplified the interpretation of the Geology of Madagascar (Moine et al, 2014). This essentially divides the country into Archaean crust in the eastern and central parts of the island and Paleoproterozoic crust in the south of the island, separated by a Mesoproterozoic magmatic arc, see Figure 6.3 below.

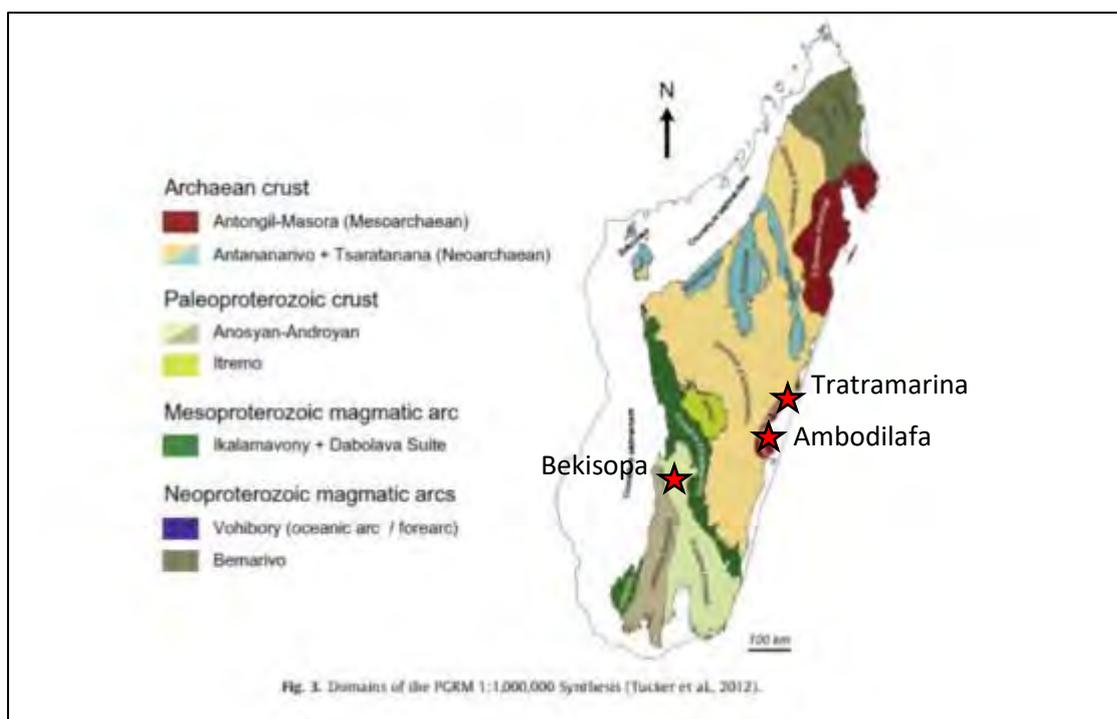


Figure 6.2: Simplified Precambrian Geology of Madagascar from Moine et al 2014

The central and eastern Archaean parts of the island are correlated with the Dharwar Craton in India, which was adjacent in most recent palaeo-tectonic reconstructions, while the southern and western Proterozoic parts are correlated with the East African orogen (Mozambique-Tanzania Belt). Based on this new interpretation, the Tratramarina and Ambodilafa projects are situated within Mesoarchaeen crustal blocks whereas Bekisopa is located within Palaeoproterozoic crustal rocks and hence may have substantially different characteristics.

While these can only be regarded as preliminary observations, they may have implications for the detailed geology and indeed, the recovery process.

It is also worthwhile noting the early knowledge of the Bekisopa iron ore occurrence which appears on Bésaire's mineral indices map of 1977, see Figure 6.3 below.

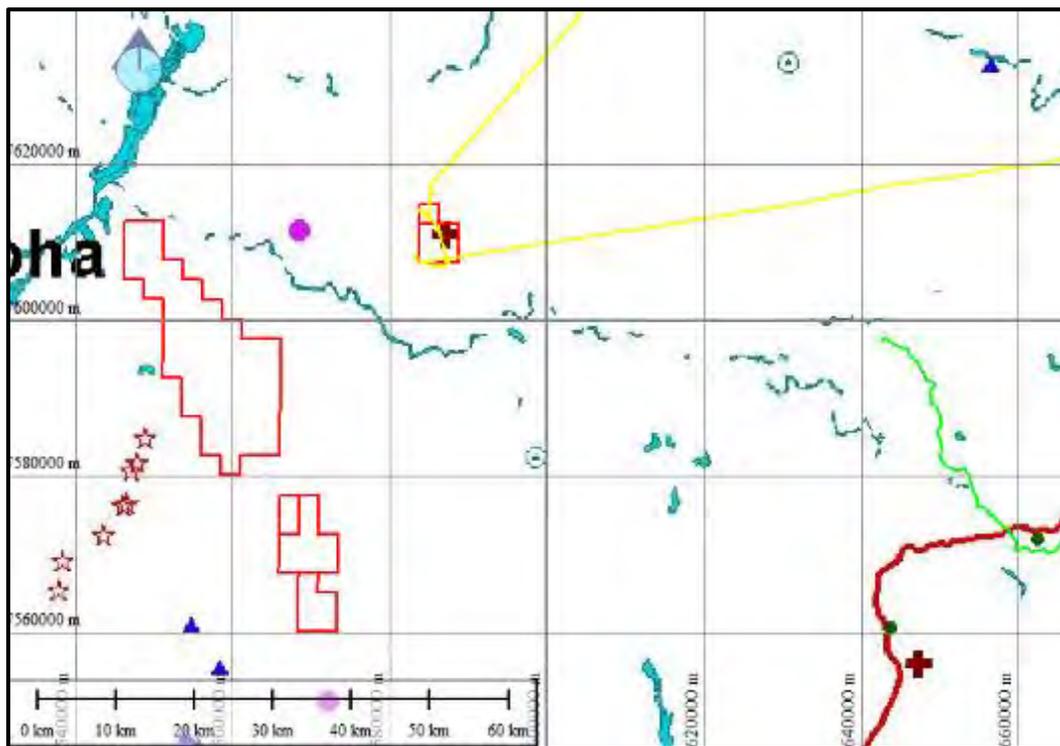


Figure 6.3: Extract from “Carte d’Indication de Substances” (1977) showing
Bekisopa Iron Ore Occurrence = Red Cross
AKO Tenements = Red Outlines
Helicopter Site Visit = Yellow Track

It is understood that Bésaire’s work prior to this 1977 map, in the 1930s, was the starting point for the detailed work on the licence by BRGM and the United Nations Development Fund (“UNDP”) somewhat earlier than that.

Conversely, the apparent complete lack of such early records of the Tratramarina and Ambodilafa iron ore occurrences is hard to explain. This is especially the case as the Tratramarina area was completely mis-mapped by earlier workers with much younger mafic rocks shown as covering the tenements.

The development of the current understanding of the geological setting of all these iron occurrences is more fully described in the following Sections.

7 BEKISOPA

7.1 Recent Works 2019

7.1.1 Introduction

Mr Tony Truelove was engaged by AKO initially to review all historical work including AKORA Resources studies. Following this encouraging review Tony visited Madagascar in October 2019 and spent a week in the AKO Antananarivo office going over all Bekisopa work with the two AKO geologists. Then with this background Tony visited the Bekisopa site and over a week completed an extensive ground geological study and oversaw the ground magnetic survey work.

The information below is largely a compilation, review, analysis and critique of his work.

7.1.2 Ground Magnetic Survey

During October 2019, a ground magnetic survey was undertaken at the Bekisopa iron project in south central Madagascar.

A total of 207.3-line km of data was collected and this was imaged and modelled by Mr Mike Sexton of Planetary Geophysics.

7.2 Historical Exploration

Over the last 60 years, a considerable amount of exploration work has been carried out in the region of the main Bekisopa licences (PR 10430 and PR 3757) and the other AKO tenements to the west.

The project at Bekisopa was apparently first recorded by Bésaire in 1933 during the course of his regional mapping (1:200,000 scale). This was followed by a revision of the geology by Emberger in 1955.

At Bekisopa two historical, comprehensive exploration programs have been undertaken - first by BRGM (1959 - 1962) and then by UNDP (1976 - 78).

Between 1959 and 1962, BRGM carried out a considerable exploration and evaluation work program at Bekisopa including geological mapping, geophysical surveying, extensive trenching and pitting, drilling, petrology and geochemical and metallurgical analysis.

The work by BRGM included:

- 564 pits representing a total length of 1,862 meters;
- 4,000 metres of trenching;
- 22 boreholes with a total length of 572 metres; and
- 2,581 samples sent for analysis.

Additional detail is outlined below, and shown in Figure 7.1:

- In the BRGM work, trench samples were collected as 1m horizontal channels from as close to the base of the channel as possible. If the lithology changed within the 1m sample, two or more samples were collected based on each lithology encountered. Pit samples were collected as 1m vertical channels. Each channel was 20cm wide by 10cm deep;
- Samples collected by BRGM were crushed and ground to minus 0.15mm in country, and then a 200g split was sent to either BRGM in Paris or Dakar, or to the Department of Mines for Madagascar in Antananarivo, for analyses for Fe, SiO₂, Al₂O₃ and P. Details of assay techniques are not available, but assay work by BRGM is generally to a high standard. The analyses for P were considered to be suspect, as the levels detected by BRGM in both Paris and Dakar averaged about 0.05% P, but the levels detected by the Department of Mines in Madagascar averaged about 0.19% P. Recent work, has confirmed P is low for high grade iron mineralisation, and the BRGM results are now considered to be more accurate than the Departmental of Mines work;
- The BRGM drilling was undertaken using a Joy 7 drilling rig, but the core diameter is not known. Recovery was generally low in the surficial material (often less than 50%), and samples were collected both from the core and the cuttings. These generally confirm each other where both are available, but significant losses of material may be encountered, as the drilling was not triple tube, and hence results should be used with caution. Below the surficial zone (variable from 10m to 30m in depth) recovery is much better (50 - 100%) and results are considered to be more reliable. Cuttings are generally not sampled below between 10 - 20m depth, drill logs are available and appear to be of high quality, with logging and assaying confirming each other as expected for the very visually distinct iron mineralisation. The original drill locations appear to be very good (+/- 5m accuracy); and
- The sample results from the trenching and pitting are considered much more reliable and these do confirm the drill results where overlap occurs. However, whilst some QA/QC standards were used, and were within tolerance (1% Fe), full details are not known. The QA/QC is historic; but the full nature of QA/QC is not known with certainty. No twin drilling was undertaken, but some duplicates and standards were used. BRGM and UNDP are high quality explorers with good reputations.

Between 1976 and 1978, the UNDP carried out some similar work, including two more boreholes, and re-evaluated the BRGM studies.

However, the work carried out was very thorough and certain aspects of it can still be utilised. In fact, many of the excavations – trenches, pits, etc. – are still open, although largely choked with vegetation.

Additional detail is outlined below, and shown in Figure 7.1:

- Samples collected by UNDP were obtained and prepared in a similar manner to BRGM, except channels were 10cm wide and 10cm deep. The samples were crushed to minus 1mm in the field and then a 200g split (riffle split) was sent to the laboratory Denver du Service Géologique in Antananarivo. A 50 - 70g split was subsequently assayed at the same laboratory. They were assayed for Fe by boiling the pulp for 5 hours in a hydrochloric acid concentrate followed by calcining at 1,000°C and dissolution in a 480nM orthophenanthroline solution and analysis for iron using a Technicon auto-analyser. It is noted that this method can slightly under-estimate iron content, but that standards were generally within 1% Fe of expected values. Iron, aluminium and titanium were analysed by a double attack using the three acid reagent (nitric, hydrochloric and sulphuric) followed by calcination at 1,000°C and determination of iron, aluminium and titanium in a solution of 480nM orthophenanthroline, 540nM eriochrome cyanine and 540nM hydrogen peroxide respectively followed by analysis using the Technicon auto-analyser. Phosphorous was analysed by boiling the pulp in nitric acid for 5 hours followed by cleaning using sulphuric acid prior to dissolution in 660nM sulphomolybdic acid and analysis using the Technicon auto-analyser.

Since the UNDP study in 1978, evaluation work on the Bekisopa prospect has been largely confined to revisiting the BRGM and UNDP data sets, improved geophysical surveys and re-interpreting the geology.

More recent work as part of the Project de Gouvernance des Ressources Minerales (PRGM) project funded by the World Bank under supervision of the Ministry of Mines and Energy of Madagascar (reported in Moine et al, 2014) has resulted in a wholesale reinterpretation of the Geology of Madagascar, which now places the age of the geology and mineralisation at Bekisopa as Palaeoproterozoic, one of the most favourable times for formation of iron-ore deposits.

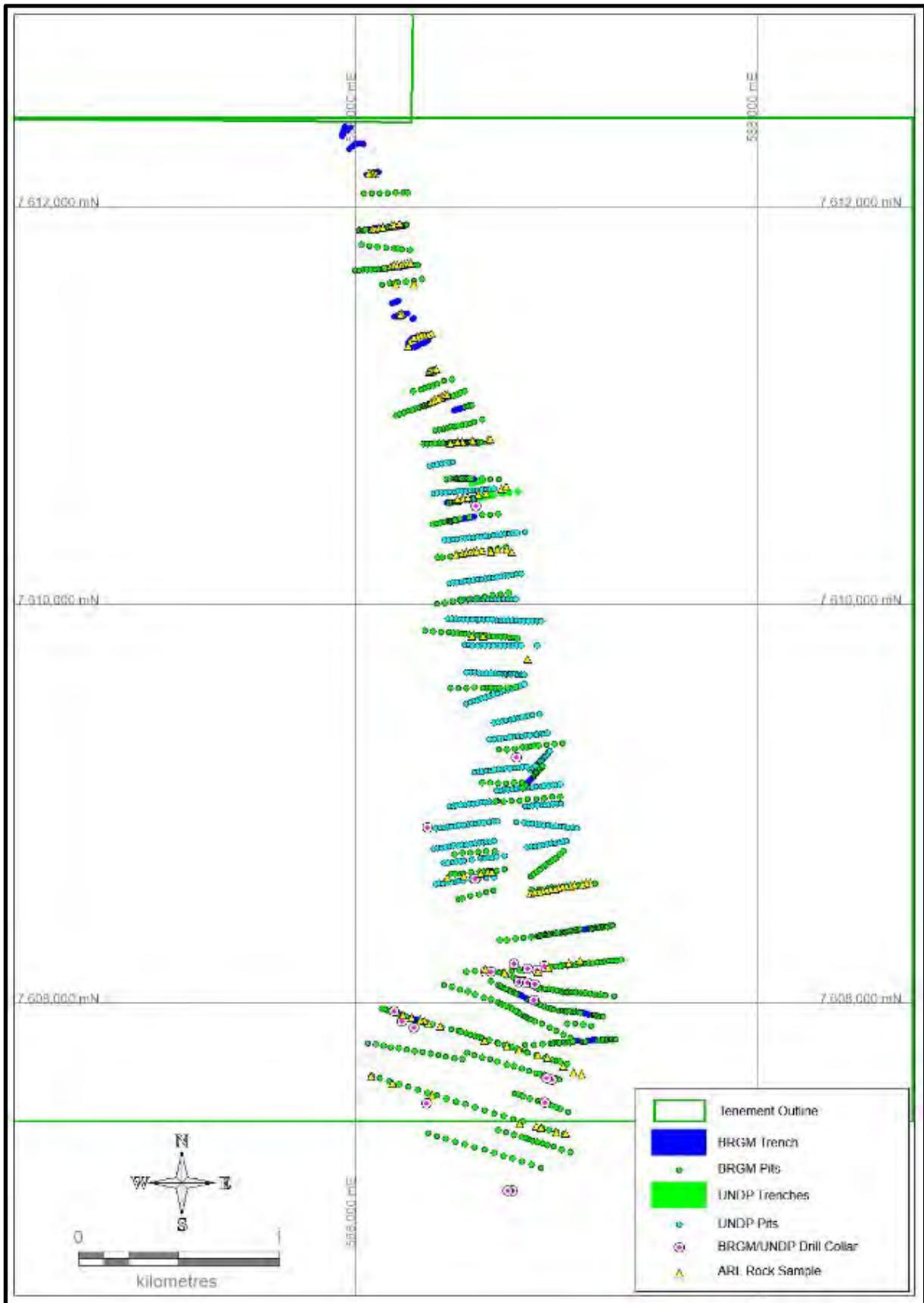


Figure 7.1: Plan View of Historic Trenches and Pits, and Recent Sampling by AKO

Additional geophysical work was carried out by Cline Mining in the years that they held the relevant licences (2005 – 2010?). Cline Mining initially concentrated their efforts on geophysics with the World Bank funded airborne magnetic and radiometric survey, carried out by FUGRO, as their starting point.

Utilising a consultant out of Toronto (Allan Spector) they carried out a full interpretation of these data. However, as the flight line spacing (500m) was less than optimal for a deposit-scale survey, this, while useful, could not hope to be definitive. Further ground geophysical surveys including gravity, magnetics and ground penetrating radar, provided further data. This was sometimes confusing as ground magnetics, especially in an area with an extensive coverage of magnetite blocks, is notoriously difficult to interpret.

These works have however, been materially assisted by a number of (non-economic) studies in the form of more detailed geological mapping by the geological survey, and several more or less detailed “academic” works by various authors.

7.3 Historical Estimates

No internationally compliant Mineral Resource Estimates have been completed to date

Notwithstanding the UNDP extensive and meticulous works, these works are historic, and they were not completed in accordance with the JORC Code (2012).

Evaluation of all the geological and drilling data, an Exploration Target of 10 - 20Mt grading 60 - 65% Fe with low penalty elements has been interpreted by AKO’s consulting geologist, Tony Truelove to a depth of 20m.

The potential quantity and grade of this target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource, and it is uncertain if further exploration will result in the estimation of a mineral resource.

WAI completed a site visit in 2017 as part of the IGR and has reviewed and is in agreement with Tony Truelove’s Exploration Target Estimate.

There is debate as to which of the following 2 Options the near surface mineralisation is due to:

1. Weathering of a more typical magnetite-quartzite type banded iron formation (BIF); or
2. More closely reflects the actual mineralisation at deeper levels and is only moderately altered by weathering effects, such as converting some of the magnetite to hematite and/or limonite-goethite.

The absence of any indication of magnetite-quartzite along the entire 7km strike of the mineralisation, the observation of some primary textures within the massive mineralisation such as bedding and alteration around fractures, and the occurrence of high grade disseminated magnetite mineralisation within amphibolite and calc silicate adjacent to massive magnetite-hematite in BRGM trenches led

AKO's consulting geologist, Tony Truelove, to conclude that it is more likely that option 2 above is the case, and that bands of massive magnetite-hematite within a lower grade "halo" of disseminated magnetite in amphibolite and calc-silicate, is likely to continue at depth.

This provides a large tonnage **potential** over the 7km strike within the AKO tenement.

7.4 Geology and Mineralisation

7.4.1 Introduction

The main Bekisopa target within (PR 10430) is located within the Palaeoproterozoic crustal rocks of southern Madagascar (Figure 6.3 above). In more detail it is associated with the Malakialina Formation of the Vohibory Group according to the old Malagasy Geological Survey (MGS) / BRGM terminology.

Figure 7.2 below shows the regional stratigraphy according to the MGS.

It can be seen that the Malakialina Formation appears to be repeated, with the Fort-Dauphin, Ampandrandava and Tranomaro formations of the Androyen Group in-between and to the east. Palaeozoic basinal cover rocks occur to the west.

However, the distinction of these units has more recently been questioned and hence the lithological characteristics are more important than the formation names. The country scale magnetics data (500m line spacing, Figure 7.2) partially supports the idea that the Malakialina Formation is repeated, but suggests that the geology may be significantly more complex than the simple interpretation on the published geological maps.

If the formation names are ignored, the general mapping data is excellent and it can be seen that the Malakialina Formation is the main host of iron mineralisation in the district and is comprised of a sequence of mica schists, gneiss, marble, quartzite and amphibolite.

The quartzites form very well defined ridges in the region and these are highlighted by hatching on the geology plan. Granites and migmatites appear to intrude all formations in the district but the ages of these is not well defined at present. Tight to isoclinal folding can be seen as defined by the quartzite outcrops and magnetics.

It is interesting to note in the magnetics data that the iron mineralisation at Bekisopa appears to be a "string of pearls" rather than a continuous stratigraphic horizon and that this is the highest order anomaly in the entire area shown on Figure 7.3. This adds support to the metasomatic origin rather than a stratigraphic origin.

The overall magnetic signature of the two zones of interpreted Malakialina Formation is quite different (Figure 7.4) and the correlation of these two formations as the same geological unit is questionable.

However, both have significant iron occurrences mapped.

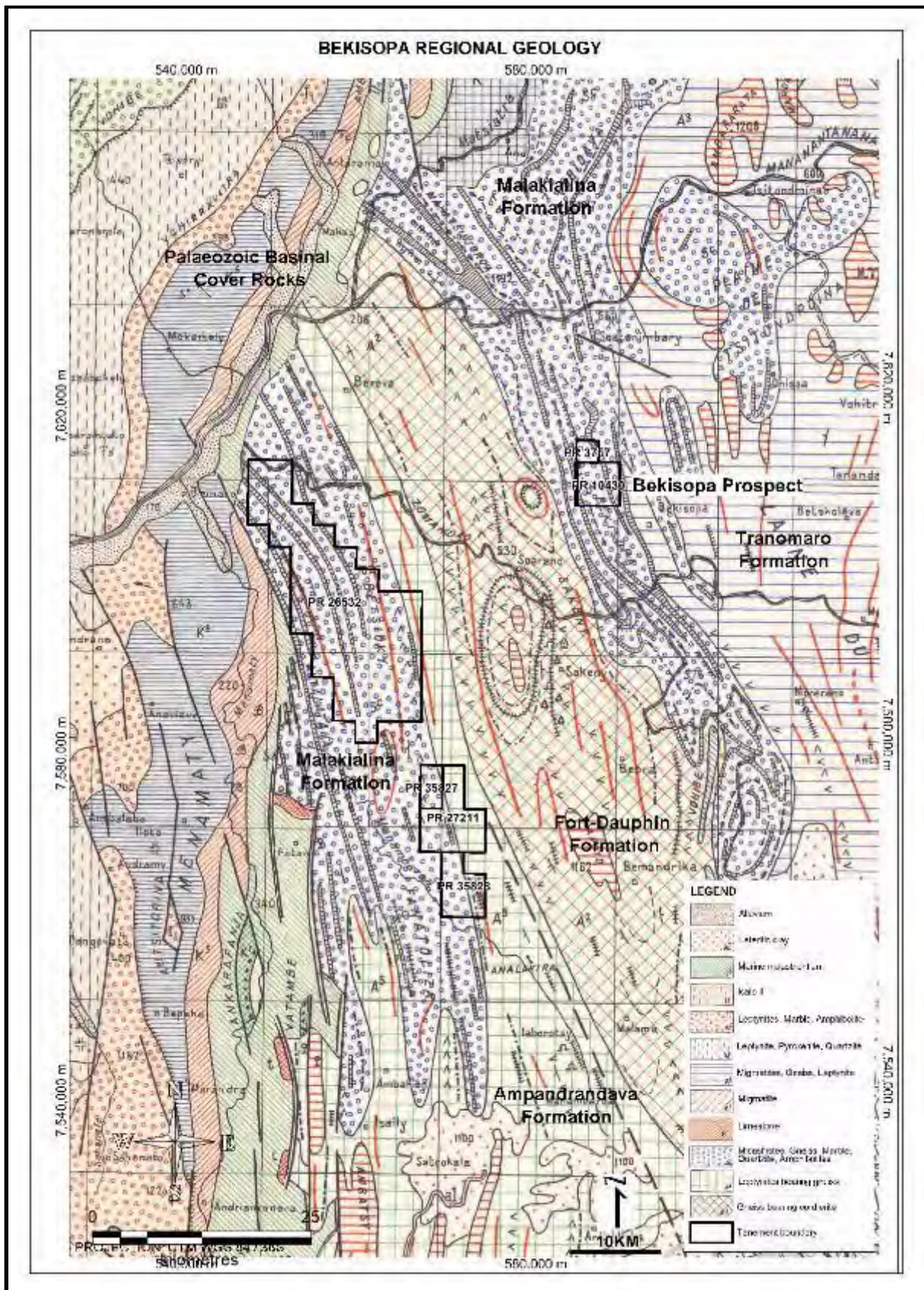


Figure 7.2: Geological Map of the Bekisopa Area
 Original Licences shown as Black Outlines (26532 & 35828 relinquished)

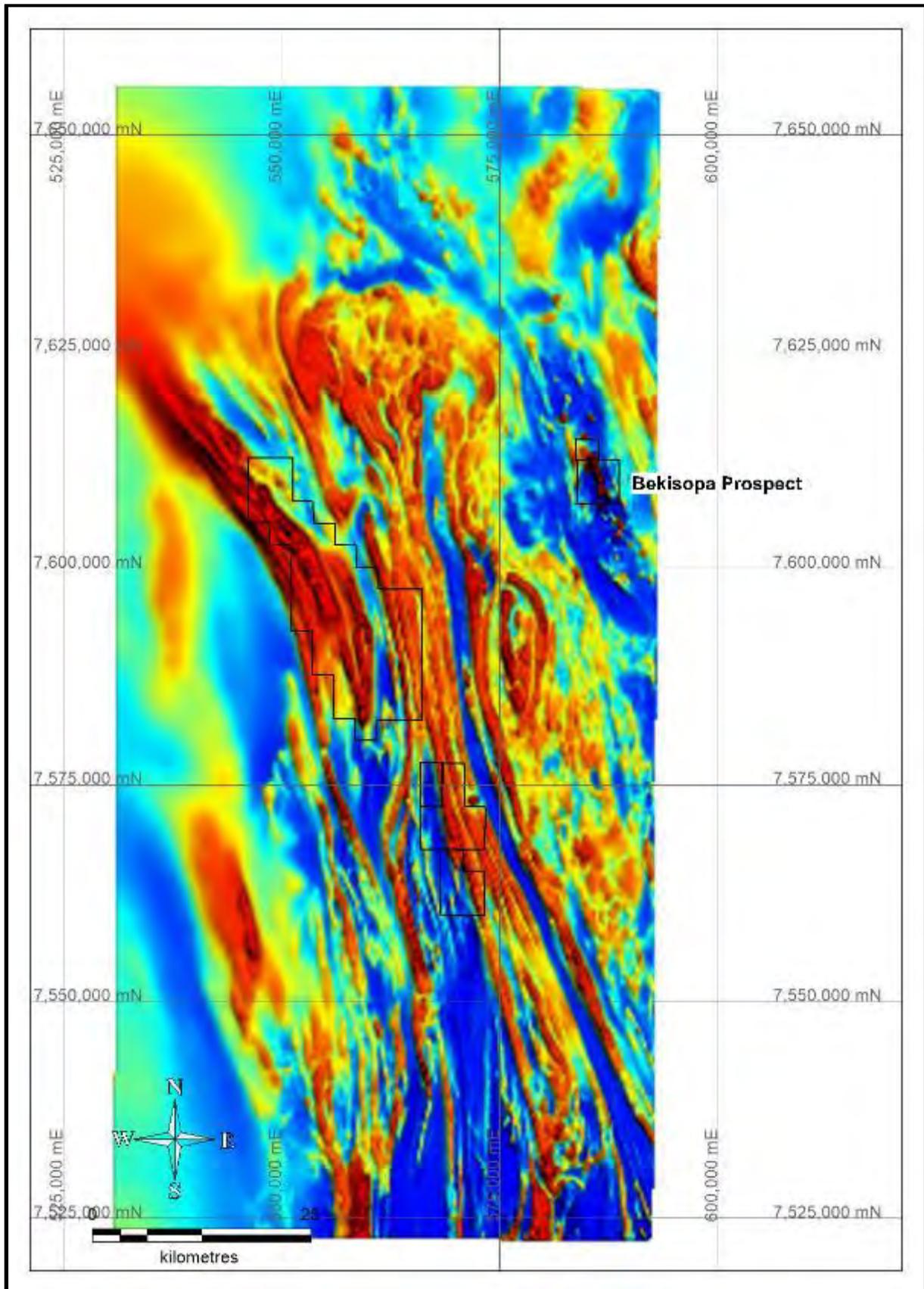


Figure 7.3: Bekisopa Project Regional Magnetics (500m Line Spacing)

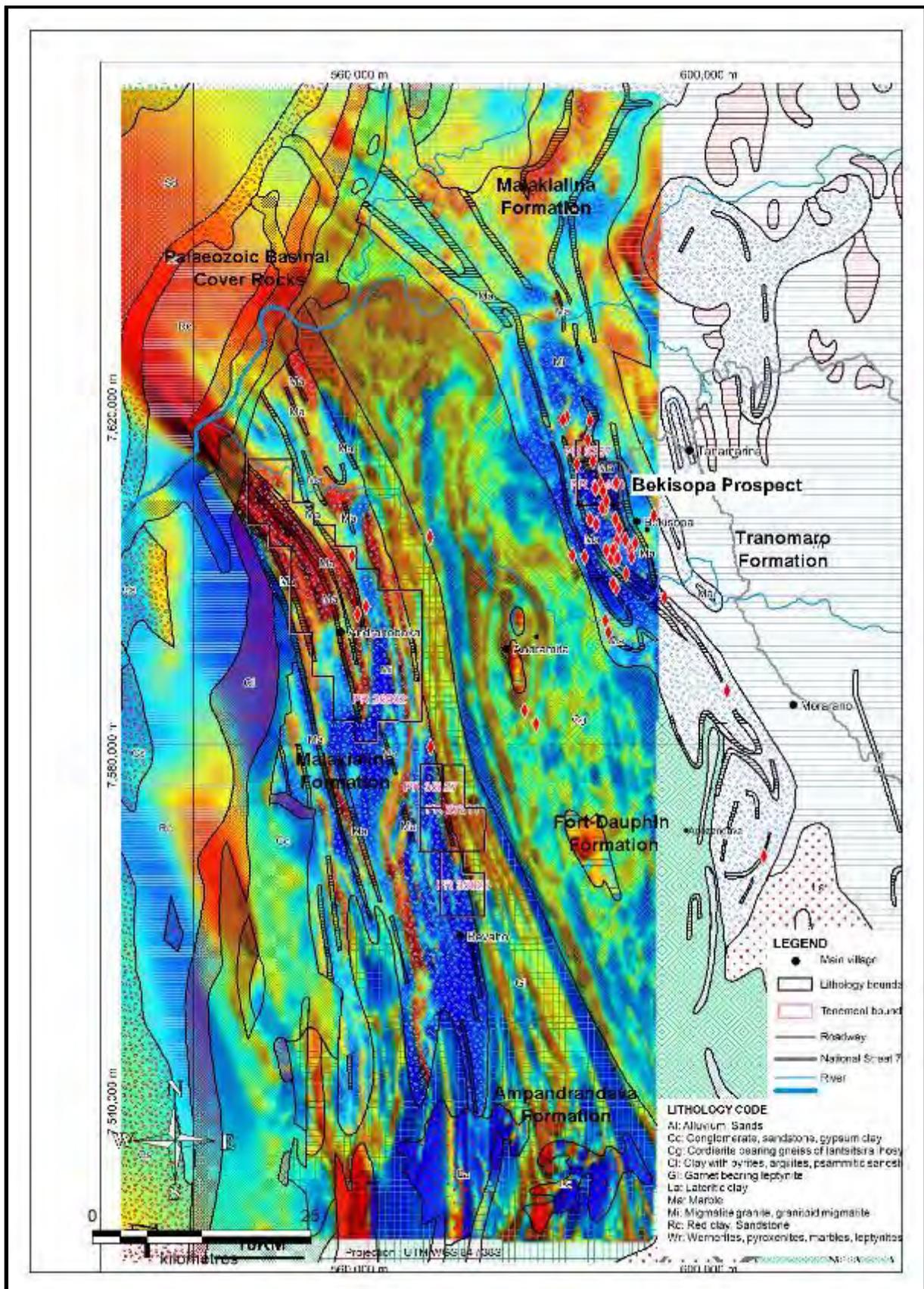


Figure 7.4: Bekisopa Project Geology on Magnetics, Red Diamonds Indicate Iron Occurrences

7.5 Local Geology

Satellite imagery clearly shows the surface expression of the iron mineralisation as a red/brown unit (Figure 7.5). It can also be seen in the satellite imagery that this unit forms a moderate topographic high, but this is not as pronounced as that formed by the quartzite unit in the east of the licence area.

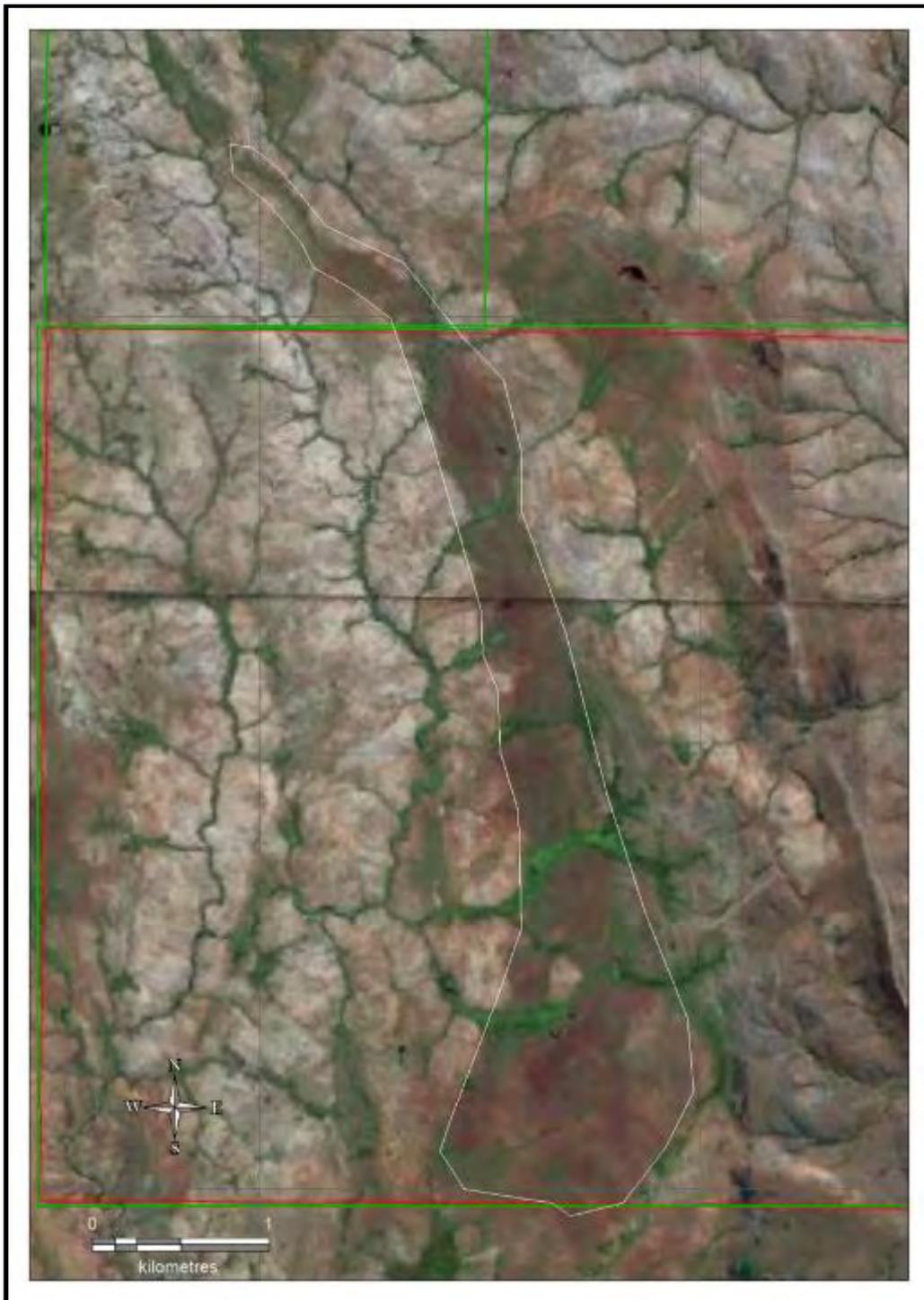


Figure 7.5: Satellite Imagery Showing Surface Expression of Iron Mineralisation (red-brown unit outlined in white)

On the ground, it can be seen that the colour anomaly is due to outcropping to subcropping massive magnetite-hematite plus overlying limonitic-goethitic laterite, canga (consolidated iron rich gravel) and red soil containing common magnetite and hematite sand sized particles (Photo 7.1 to Photo 7.3).



Photo 7.1: Subcrop of Magnetite-Hematite and Red Soil Weathering Product



Photo 7.2: Red soil with Magnetite Particles in the Fine Grey Surface Material



Photo 7.3: Magnetite Particles on Hand Magnet from Red Soil

While this has all previously been interpreted as surficial enrichment, the presence of primary textures within the massive magnetite-hematite outcrops such as banding/bedding and alteration zones around fractures (Photo 7.4 to Photo 7.6) suggests this may in fact be primary mineralisation, possibly with some weathering that has converted a small portion of the magnetite to hematite. The limonitic/goethitic laterite, canga and red soil may form secondary iron-ore mineralisation, although grade is generally lower than the massive magnetite-hematite mineralisation, which has been shown to grade between 60% and 67% Fe.



Photo 7.4: Outcrop of Massive Magnetite+/-Hematite Showing Banding Textures (Bedding?)



Photo 7.5: Outcrop of Massive Magnetite with Magnetite Rich Shale Interbed



Photo 7.6: Alteration Haloes around Fractures in Massive Magnetite +/- Hematite Outcrop

The lack of any magnetite-quartzite along the entire 7km of iron mineralisation tends to suggest that this is not a typical Algoma style iron deposit similar to those interpreted at Tratramarina and Ambodilafa.

Instead, the main mineralisation appears to consist of massive magnetite-hematite bands between a few metres and up to 20 - 50m in width, within a generally magnetite bearing sequence of amphibolites and calc-silicates (Photo 7.7, Photo 7.8) that may be over 100m wide in places.

While the style of mineralisation cannot be confirmed until drilling is undertaken, it appears likely that most of the iron was introduced metasomatically into calcareous precursor lithologies.



Photo 7.7: Subcrop of Magnetite-Amphibolite in Trench 16



Photo 7.8: Close-up of Fragment of Magnetite-Amphibolite Rock

Some magnetite bearing quartzite (e.g. Photo 7.9) plus additional magnetite bearing calc-silicates and amphibolite is noted from the quartzite ridge that occurs to the east of the main iron occurrence and this is reflected in the satellite image (Figure 7.5) as a separate colour anomaly, although not as intense as that over the main iron mineralisation. This requires additional exploration as it could potentially form a separate zone of mineralisation, although likely of lower tenor than that at the main prospect.



Photo 7.9: Magnetite Bearing Quartzite East of Main Iron-Ore Target

7.6 Exploration

7.6.1 Historical Exploration

Iron occurrences in the district were originally discovered by Bésaire during the 1930s as noted above.

The first significant work was undertaken by BGRM during the period 1959 and 1962 and this included good quality geological mapping, geophysical surveying, trenching (4,000m), pitting (564 pits for 1,862m), drilling (22 holes aggregating 572m), petrology and geochemical analysis (2,581 samples).

The resultant geological map is of very good quality (digitised version shown as Figure 7.6) and has been used as a base for most of the subsequent work programs.

The pitting, trenching and drilling is shown overlaid on the geology map as Figure 7.7. This work identified large areas of high grade (plus 60% Fe) iron ore mineralisation to a depth of up to 20m in places.

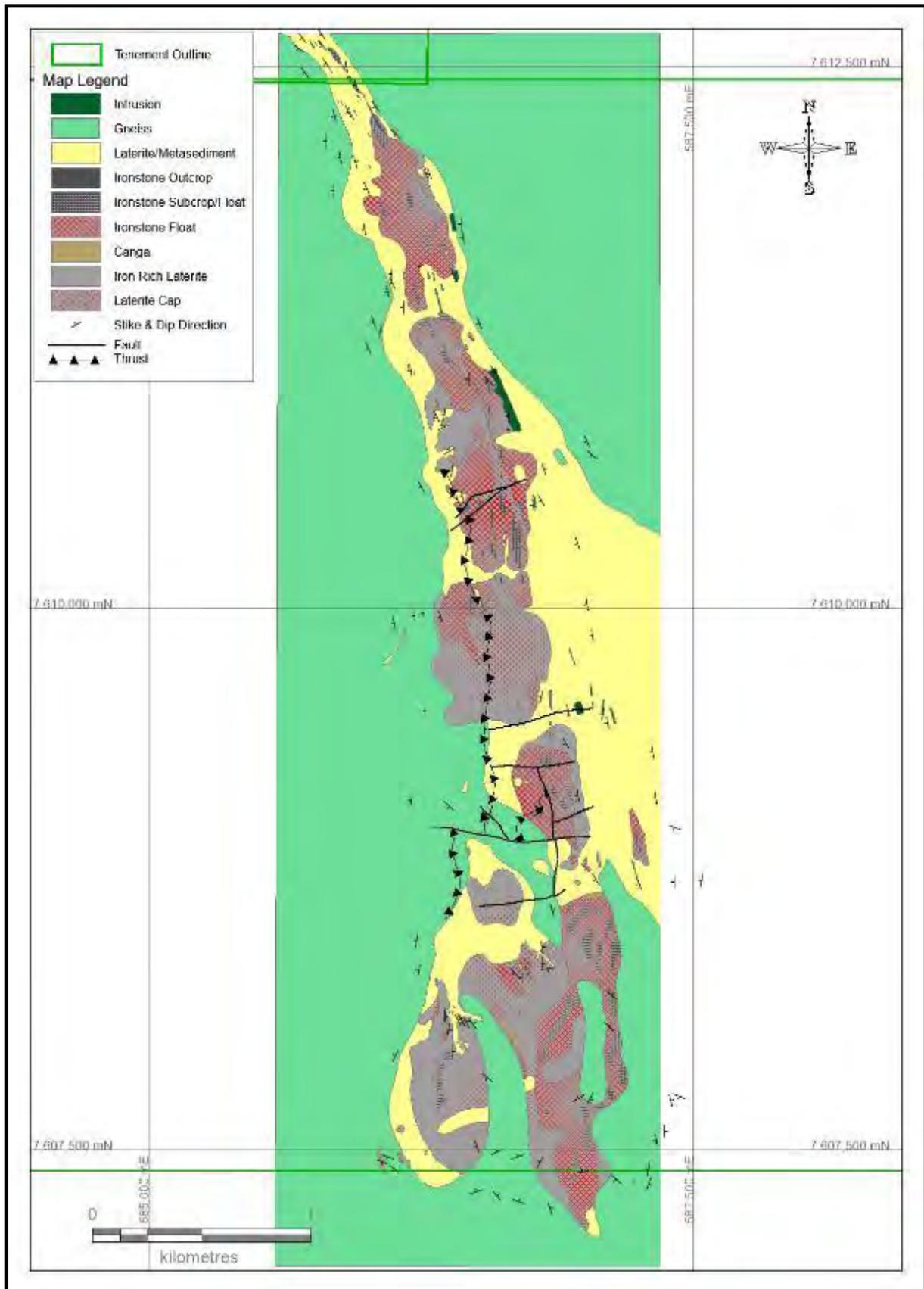


Figure 7.6: BRGM Geological Map (Digitised by AKO)

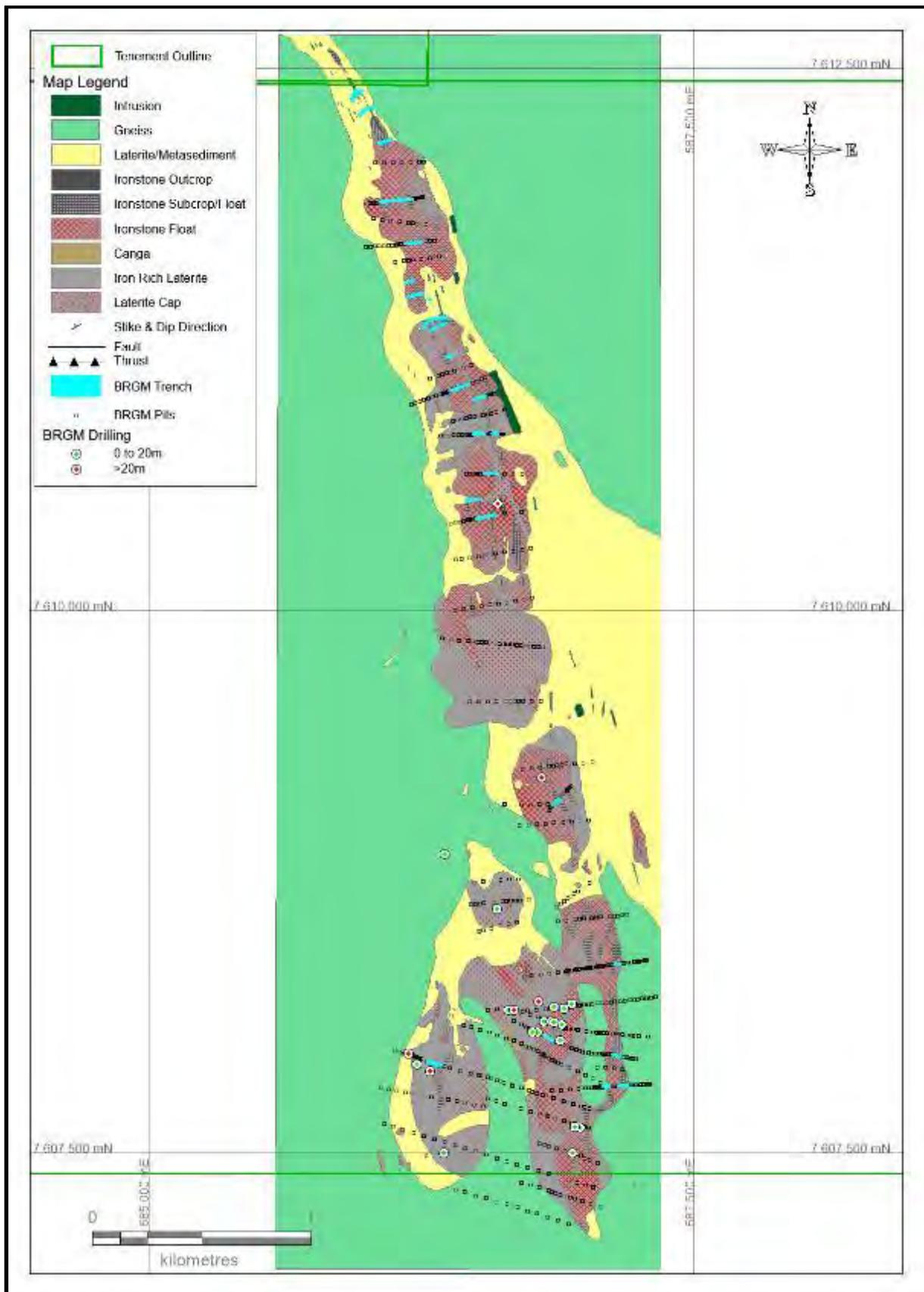


Figure 7.7: BRGM Geology and Work Plan

Significant mineralisation identified by the BRGM work is presented in Table 7.1 to Table 7.3 below.

Table 7.1: BRGM Trench Results			
Trench ID	Results Summary	Total Width (m)	Comments
T1	35m@37% Fe incl 6m@57%Fe	53	5 bands of mineralisation
T2	56m@36%Fe incl 6m@55%Fe	85	4 bands of mineralisation
T3	59m@51%Fe incl 37m@59%Fe	62	4 bands of mineralisation
T5	117m@51%Fe incl. 19m@55%Fe incl 27m@60%Fe incl 42m@57%Fe	146	6 bands of mineralisation
T7	50m@42%Fe incl 12m@60%Fe incl 12m@59%Fe	76	2 bands of mineralisation
T10	67m@37%Fe incl 13m@51%Fe	71	6 bands of mineralisation
T12	30m@31%Fe	133	
T14	20m@43%Fe incl 6m@61%Fe	24	1 band of mineralisation
T16	84m@43%Fe incl 11m@53%Fe incl 13m@61%Fe incl 15m@55%Fe	93	5 bands of mineralisation
T17	1m@42%Fe	55	
T19W	37m@49%Fe incl 5m@58%Fe incl 22m@60%Fe	49	2 bands of mineralisation
T19E	20m@41%Fe incl 5m@59%Fe incl 5m@59%Fe	25	2 bands of mineralisation
T20	46m@52%Fe incl 15m@61%Fe	56	2 bands of mineralisation
T43	69m@64%Fe	69	1 thick band of mineralisation

Table 7.2: BRGM Pitting Results (>3m depth and = or >50% Fe)

Line No.	Pit ID	Results Summary	Total Depth (m)	Comments
L3	4	3m@58%Fe	7	Pit ended in mineralised micaceous facies
	3	8m@58%Fe	10	Pit ended in micaceous facies
L5	9	3m@58%Fe	6	Mineralisation extends entire depth of pit
	7	8m@57%Fe	10	
	4	4m@60%Fe	7	
	2	3m@57%Fe	7	
L6	9	4m@64% Fe	4	Mineralisation extends entire depth of pit
	5	4m@63% Fe	4	
L8	8	3m@55% Fe	4	Mineralisation extends entire depth of pit
L15	7	4m@61%Fe	4	Mineralisation extends entire depth of pit
L18	10	3m@65%Fe	3	Mineralisation extends entire depth of pit
	9	5m@61%Fe	5	
	8	4m@62%Fe	4	
L19	1	5m@56%Fe	5	Mineralisation extends entire depth of pit
	10	3m@58%Fe	4	Pit ended in weakly mineralised micaceous facies
	9	3m@61%Fe	4	Mineralisation extends entire depth of pit
	8	5m@58%Fe	5	
	7	3m@58%Fe	5	
	6	3m@61%Fe	6	
	5	3m@61%Fe	3	
L20	9	3m@61%Fe	3	Mineralisation extends entire depth of pit
	8	3m@61%Fe	3	
L23	11	3m@59%Fe	4	Pit ended in amphibolitic facies
L26	7	5m@61%Fe	5	Mineralisation extends entire depth of pit
	6	3m@59%Fe	3	Pit ended in mafic rock
L27	10	3m@64%Fe	3	Mineralisation extends entire depth of pit
	9	6m@65%Fe	6	
L29	5	3m@58%Fe	3	Mineralisation extends entire depth of pit
L35	11	5m@60%Fe	5	Mineralisation extends entire depth of pit
	9	5m@59%Fe	5	
L36	22bis	5m@55%Fe	5	Mineralisation extends entire depth of pit
	18bis	7m@61%Fe	8	
	14bis	8m@60%Fe	8	
	10bis	4m@57%Fe	5	
	6bis	4m@62%Fe	4	
L37	4	3m@58%Fe	6	Mineralisation extends entire depth of pit
	3	3m@59%Fe	6	
	1	4m@61%Fe	4	Pit ended in pegmatite
	21	4m@59%Fe	4	Mineralisation extends entire depth of pit
	17	5m@59%Fe	5	Pit ended in weakly mineralised band
	13	7m@63%Fe	7	Mineralisation extends entire depth of pit
	11	5m@62%Fe	5	Pit ended in weakly mineralised band

Table 7.2: BRGM Pitting Results (>3m depth and = or >50% Fe)

Line No.	Pit ID	Results Summary	Total Depth (m)	Comments
	9	9m@65%Fe	9	Mineralisation extends entire depth of pit
	7	7m@66%Fe	7	
	5	5m@65%Fe	5	
	3	5m@57%Fe	5	
	13	8m@61%Fe	8	Pit ended in weakly mineralised band
L38	13	4m@57%Fe	6	Pit ended in weakly mineralised band
	9	5m@60%Fe	6	
	7	4m@60%Fe	6	Mineralisation extends entire depth of pit
	6	11m@64%Fe	11	
	5	10m@65%Fe	10	
	4	4m@64%Fe	4	Mineralisation extends entire depth of pit
	3	7m@64%Fe	7	
	2	5m@65%Fe	6	
	1	3m@63%Fe	3	
	0	8m@63%Fe	8	Pits ended in micaceous facies
	1	3m@56%Fe	3	
	2	3m@62%Fe	4	Pit ended in pegmatite
	15	3m@60%Fe	4	
	20	4m@56%Fe	4	
23	3m@63%Fe	6	Pit ended in weakly mineralised band	
L39	15	4m@58%Fe	4	Mineralisation extends entire depth of pit
	11	3m@60%Fe	6	
	10	4m@60%Fe	4	
	9	4m@58%Fe	4	
	8	7m@65%Fe	7	
	6	9m@65%Fe	9	
	5	3m@59%Fe	5	
	15E	4m@64%Fe	5	Pit ended in undifferentiated iron series
L40	32	3m@54%Fe	4	Pit ended in undifferentiated iron series
	36	5m@62%Fe	6	Pit ended in mineralised amphibolitic facies
L41	17	4m@62%Fe	4	Mineralisation extends entire depth of pit
	13	3m@62%Fe	3	
	11	4m@60%Fe	5	
	9	8m@66%Fe	10	
	7	6m@63%Fe	6	Pit ended in weakly mineralised band
	5	8m@61%Fe	9	
	3	3m@62%Fe	4	
	2	3m@62%Fe	4	
L43	2	3m@67%Fe	9	Pit ended in weakly mineralised band
	14bis	3m@63%Fe	4	Mineralisation extends entire depth of pit
	17bis	3m@53%Fe	6	
L44	6	6m@59%Fe	6	Mineralisation extends entire depth of pit

Line No.	Pit ID	Results Summary	Total Depth (m)	Comments
	5	7m@62%Fe	7	
	4	6m@64%Fe	6	
	3	5m@62%Fe	6	
L45	15	3m@59%Fe	3	Mineralisation extends entire depth of pit
	13	6m@64%Fe	6	
L46	7	4m@64%Fe	4	Mineralisation extends entire depth of pit
	4	3m@63%Fe	5	

Hole ID	Results Summary	Total Depth (m)	Comments
BK1	0 - 3m@61%Fe	55	Followed by plagioclase and marble
BK2	0 - 4m@42%Fe 5 - 9m@29%Fe	53	Followed by plagioclase and marble
BK3	1 - 18m@37%Fe incl 1 - 10m@50%Fe	75	Followed by gneiss, marble and plagioclase
BK4	0 - 1m@54%Fe	9	Hole ended in pegmatite
BK4bis	0 - 7m@47%Fe incl 5m@54%Fe 9 - 19m@28%Fe	60	Intersected micaceous facies with magnetite or plagioclase or amphibole
BK10	0 - 3m@51%Fe	13	Intersected amphibolitic and micaceous facies
BK11	0 - 12m@56%Fe	12	Mineralisation extends entire depth of hole
BK12	0 - 4m@65%Fe	5	Hole ended in mineralised micaceous facies
BK13	0 - 10m@59%Fe	11	Hole ended in micaceous facies
BK14	0 - 14m@61%Fe	15	No recovery after mineralisation
BK15	1 - 6m@45%Fe incl 4m@51%Fe	7	Hole ended in micaceous facies
BK16	0 - 6m@62%Fe	6	Mineralisation extends entire depth of hole
BK16 bis	0 - 19m@65%Fe	20	Hole ended in mineralised micaceous facies
BK17	0 - 13m@64%Fe	13	Mineralisation extends entire depth of hole
BK18	0 - 15m@65%Fe	17	Mineralisation extends entire depth of hole
BK19	0 - 15m@64%Fe	16	Hole ended in micaceous facies
BK20	0 - 11m@65%Fe	11	Hole ended in micaceous facies
BK21	0 - 4m@61%Fe	5	Hole ended in micaceous facies
BK22	0 - 16m@65%Fe	17	Hole ended in micaceous facies
BK23	0 - 18m@65%Fe	19	No recovery after mineralisation

It should be noted that some of the drilling had poor recovery and hence these results should be treated with caution.

Notwithstanding this concern, the results are very encouraging and show large areas of plus 60% Fe, often to the limits of drilling, or with only a single meter or less of 'unmineralised' material at the end of the hole, some of which are likely to be sedimentary interbeds.

The BRGM concluded that iron mineralisation is associated with a zone of calc-silicates and marbles within a high-grade metamorphic terrain. The calc-silicate zone was mapped over a 5km strike length that is 200 - 300m wide in the north, where BRGM considered that it dips steeply to the West, and up to 1km wide in the south where it may dip at a shallower angle.

BRGM considered that the iron mineralisation occurs as magnetite concentrations in the calc-silicates, as enriched mineralisation and as surficial material (colluvium and laterite). Trench and pit sampling demonstrated that what they considered to be high-grade mineralisation (>50% Fe), occurs in both surficial material and in enriched primary zones. BRGM interpreted the enriched mineralisation as a supergene concentration of the primary mineralisation.

The next major phase of work was undertaken by the UNDP during the period 1976 - 78. This built on the BRGM work but did not result in any major changes in the previous geology or interpretations. It consisted of infilling the BRGM pitting (238 pits average 3.17m deep), trenching and sampling so that the 5km mineralised strike length was sampled with ~100m spaced lines (Figure 7.16). In addition, two extra drillholes were completed for total of 101m drilling.

It was found that the iron content is variable from 20% to 65% Fe, but that it averages 35% to 45% Fe. Other chemical elements averaged 1.6% Al₂O₃, 0.06% P, 0.2% TiO₂, 0.05% Mn. Silica (SiO₂) varied from 2.5% to 56.3%.

The infill trenching and sampling resulted in defining a series of elongate "primary mineralisation" bands containing plus 20% Fe within calc-silicates in the central part of the iron rich zone (Figure 7.8). The work also concluded that the massive high-grade mineralisation was likely to be continuous at depth.

The work ultimately resulted in the estimation of a revised mineralisation inventory to a maximum depth of 20m below surface within an area of about 30% of the total area of interest (Figure 7.8).

These figures are taken from the very detailed report "Study of the Iron Deposit of Bekisopa, Preliminary Technical Report, prepared for the Malagasy Government, by the United Nations Development Programme" 1978, see Appendix 4 for English Translation.

The estimate tonnage was made from the standard section extrapolation (both drilling and trenches) with the influence of mineralisation not being extended more than 150m, with the iron grade determined on the samples routinely taken every metre from the drilling and trenching.

The potential quantity and grades are considered to be conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource, and it is uncertain if further exploration will result in the estimation of a mineral resource.

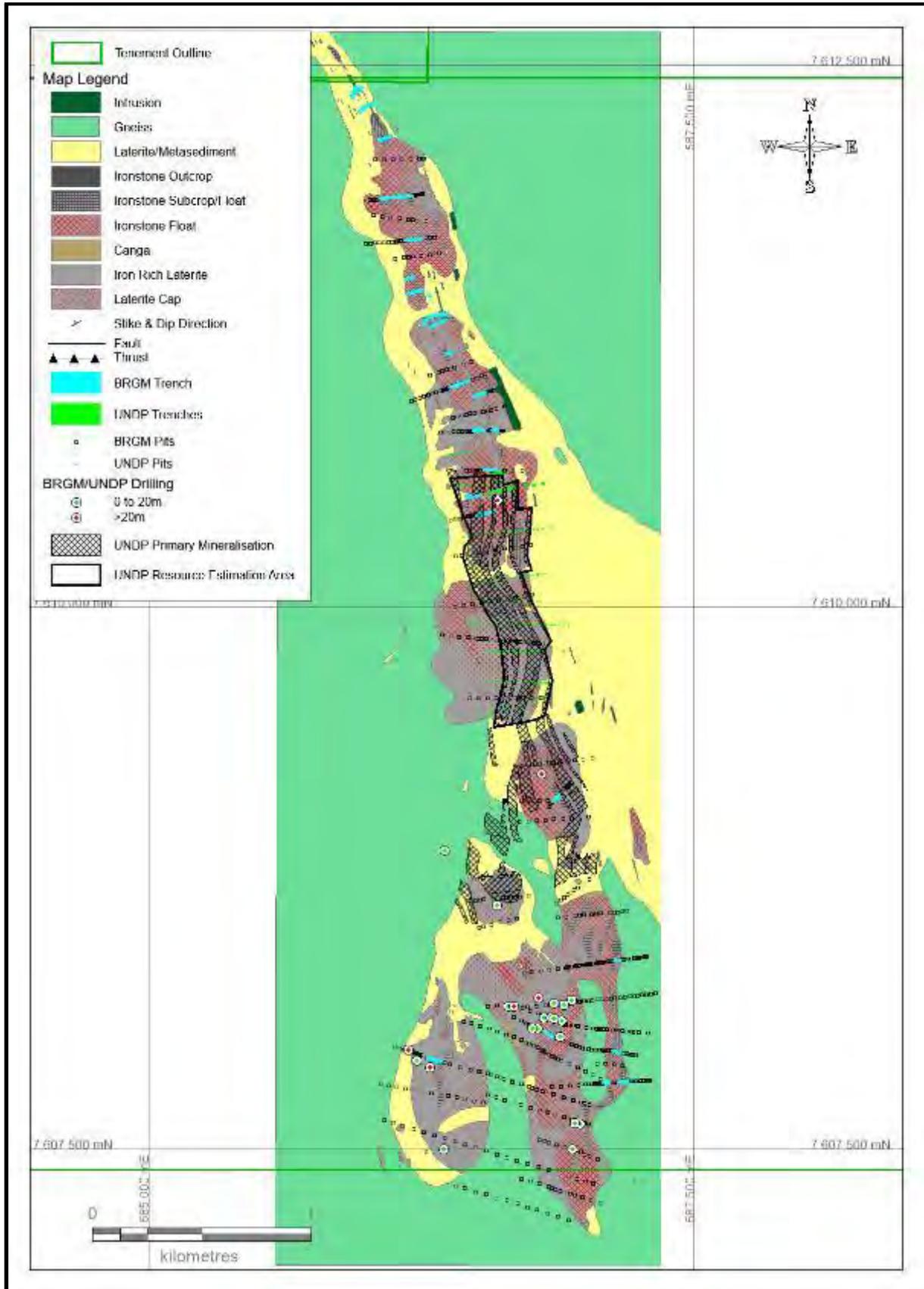


Figure 7.8: BGRM & UNDP Pitting, Trenching and Drilling

The next major phase of work was a World Bank funded airborne geophysical survey (magnetics and radiometrics) flown by Fugro between 2004 and 2006.

That work was obtained and interpreted by Cline Mining who owned the tenure between 2005 and 2010. In addition, Cline Mining undertook ground based magnetic, gravity and ground penetrating radar surveys.

The regional airborne survey confirmed the presence of iron ore and assisted in defining the strike length of the ore occurrence. Interestingly, the magnetic anomalies at Bekisopa, while the highest in the region, appear to be discontinuous and appear as a “string of pearls” rather than the lower order, more stratigraphic anomalies seen elsewhere Figure 7.3 & Figure 7.9.

In addition they do not appear to be continuous beyond the tenement boundary, and hence are considered unlikely to be related to stratigraphy (such as typical BIFs would be) and more likely related to metasomatic effects as would be expected in skarn, IOCG or magmatic (Kiruna) type iron deposits.

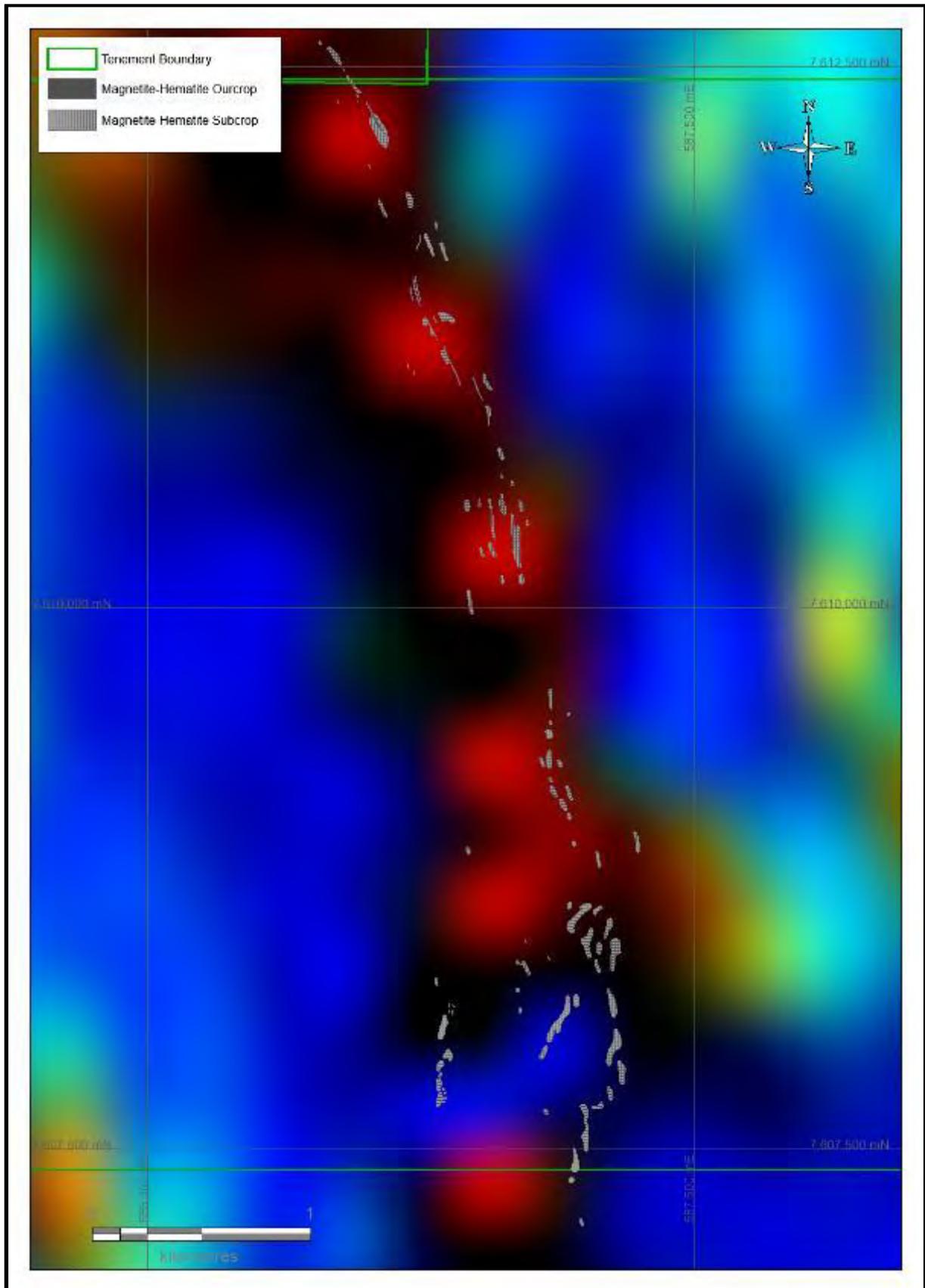


Figure 7.9: Airborne Mag Data with Outcrop/Subcrop of Magnetite-Hematite Superimposed

The data was further reprocessed and imaged by a series of consultants including Allan Spector and Associates, Bruce Mackie Geological Consulting Services (BMGCS) and Geoconsult.

It was concluded that the line spacing of the airborne survey (500m) is too broad for any detailed modelling and that the ground magnetic data was too “noisy” to be of use due to the large amount of magnetite scree and rubble at surface. The gravity data was used to estimate tonnages of mineralisation, but these are considered to be too speculative to be of much use.

Cline Mining defined a series of magnetic anomalies with potential for additional iron-ore mineralisation within the general area as shown on Figure 7.10 below.

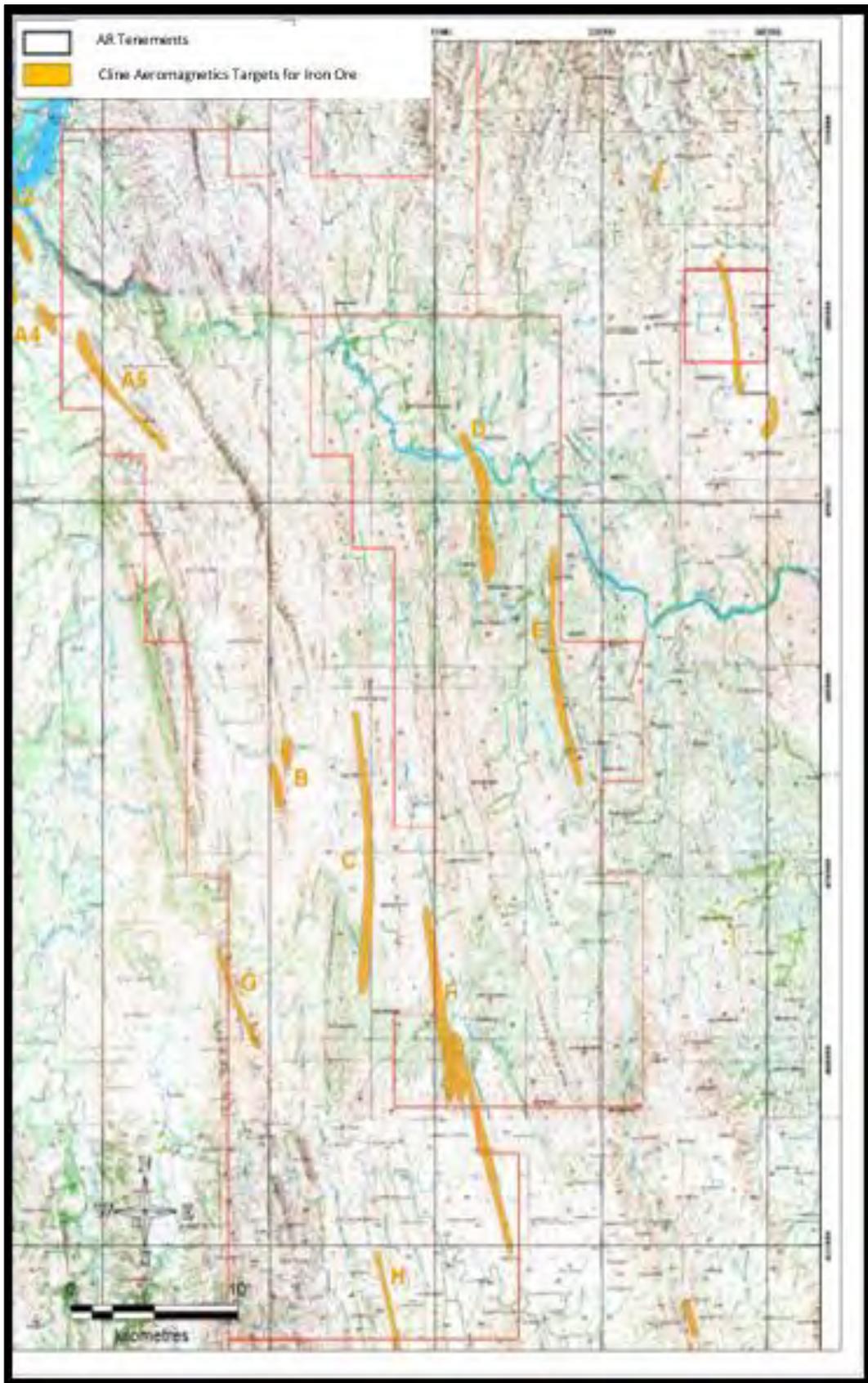


Figure 7.10: Cline Mining Iron-Ore Targets from Airborne Magnetic Survey

7.6.2 AKORA Resources (AKO) Exploration

The tenure was acquired by AKO during 2014 and work since then has consisted of:

- Data compilation and interpretation;
- Confirmatory rock chip sampling (118 samples) and mapping;
- Re-interpretation of airborne geophysical data; and
- Ground magnetic surveying (305-line kilometres).

The rock chip sampling confirmed the high tenor of the mineralisation at and near surface, with the 118 samples collected from pits, subcrop and outcrop averaging 66.7% Fe, 1.5% SiO₂, 1.0% Al₂O₃ and 0.075% P over the full 5km sampled (Figure 7.19).

This confirms the previous work and shows very high-grade mineralisation is located at and near surface with very low penalty elements.

The mineralisation is generally massive magnetite that has been partially altered to hematite in places and forms a good quality “lump” mineralisation ideal for blast furnace feed. It is thus likely that a premium price can be secured for this material.

Geological mapping shows that the massive magnetite-hematite mineralisation varies from a few metres up to >20m (possibly to over 100m in areas of rubbly subcrop) in width and that several bands are present in most areas.

These bands generally grade more than 60% Fe and up to almost 70% Fe in places as shown by the rock chip sampling of AKO (Figure 7.11) and the previous pit, trench and drillhole sampling by BRGM and UNDP. In between the massive magnetite-hematite bands are zones of “disseminated” magnetite within amphibolites and calc-silicates. These generally grade between 30% and 60% Fe.

Some “barren” bands are also present within the overall mineralised zones and these grade less than 30% Fe. A good example of this is shown in Trench 7 (Figure 7.19 below) where all three types are exposed in a single trench.

As already noted, it is considered unlikely that the massive magnetite-hematite bands are due to surface enrichment (apart from some local alteration of magnetite to hematite) and hence it is likely that these will continue at depth.

However, due to the rubbly nature of the outcrop/subcrop, the widths may appear exaggerated at surface and drilling is required to ascertain true widths of both the massive bands and intervening layers of magnetite rich amphibolite and calc-silicate.

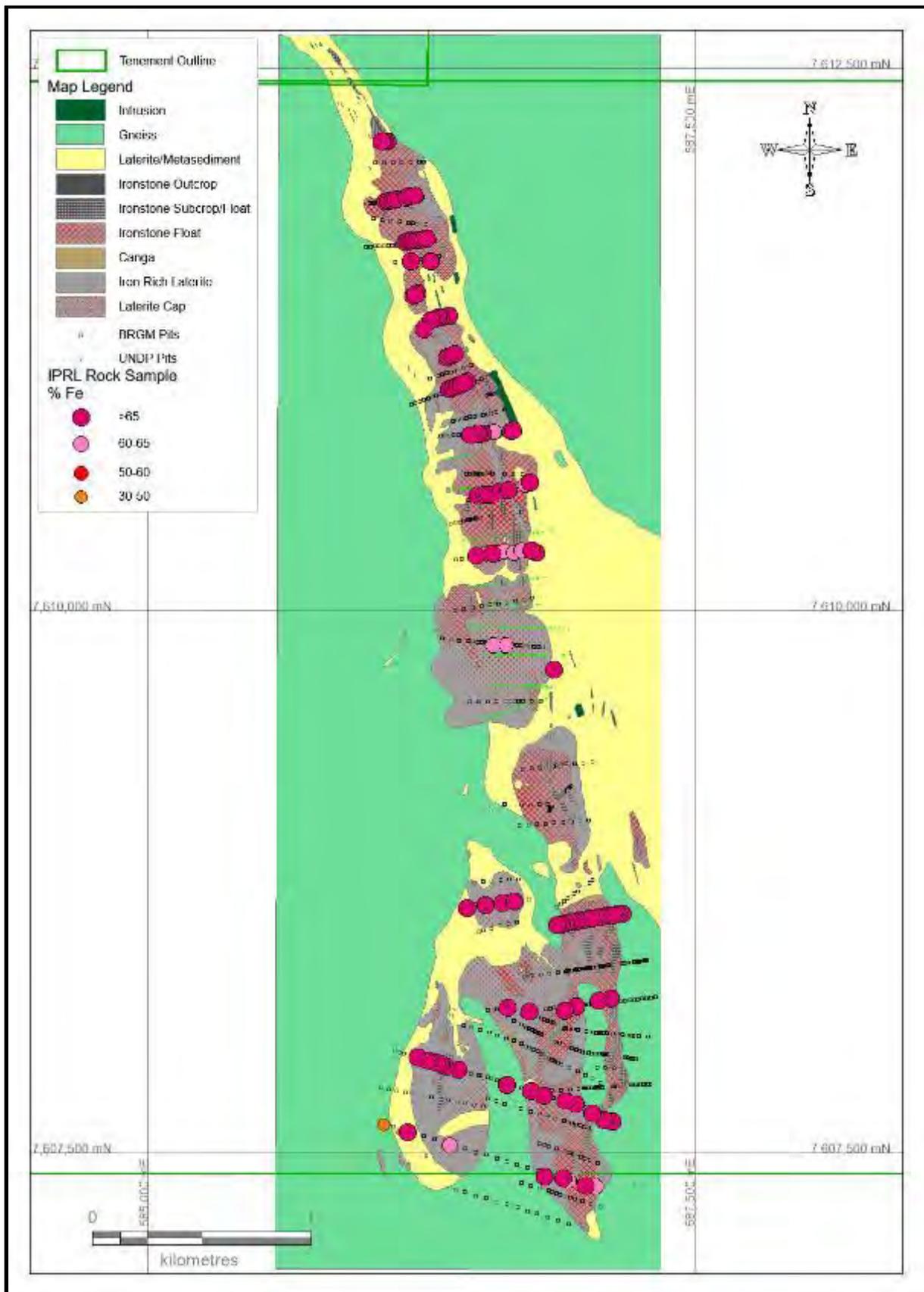


Figure 7.11: AKO Rock Chip Sampling Results

In 2019, a ground magnetic survey was commissioned by AKO using Planetary Geophysics personnel and equipment along with AKO's own in country personnel. The data was subsequently imaged and modelled by Mike Sexton of Planetary Geophysics in Toowoomba, Australia.

The data, while noisy (as expected) due to very magnetic material at surface, defined a good magnetic anomaly over the mapped iron mineralisation as shown on Figure 7.12.

Note that the colour anomaly identified on the satellite image (Figure 7.5) has been superimposed on this image and is an excellent match with the magnetic anomaly. The analytical signal image has been shown as this removes the effects of remanence, which otherwise make the image difficult to interpret due to some intense magnetic lows. The data has been processed to represent an upward continuation of 25m in order to simulate the effects of collecting the data at this height which reduces the "spikey" effects of the surficial material.

For comparison, Figure 7.13 shows the reduced to pole (RTP) image, also upward continued for 25m. This shows the effects of remanence which produces some anomalies as magnetic lows rather than highs. It can be seen that this is more pronounced in the southern part of the tenement area. This is common in areas where magnetite has been converted to hematite (e.g. Koolyanobbing in Western Australia), but could also simply reflect reversals in the earth's magnetic field at the time the deposits formed.

The anomaly is coincident with mapped high-grade iron mineralisation as shown on Figure 7.14, which overlays mapped magnetite-hematite outcrops on the magnetic anomaly.

The combined geological and geophysical data has been used to interpret the iron mineralisation. Figure 7.15 shows the current AKO interpretation of the magnetite bearing stratigraphy along with the mapped magnetite-hematite outcrops/subcrops on the analytical signal magnetics image. It can be seen that the stratigraphy is complex with tight folding and several dislocations that are probably due to faulting. While stratigraphy appears simpler in the north than in the south, it is likely that the magnetite bearing stratigraphy is isoclinally folded there - possibly resulting in an apparent thickening and/or repeating of the iron-ore bearing lithologies, see Figure 7.18.

Modelling of the geophysical data confirms the AKO interpretation and suggests that the mineralisation extends to over 500m in the areas modelled (Figure 7.16 to Figure 7.17). It also shows some strongly remanently magnetised areas and hence confirms that the analytical signal is the best way to examine the data as it shows these remanently magnetised areas as highs rather than lows.

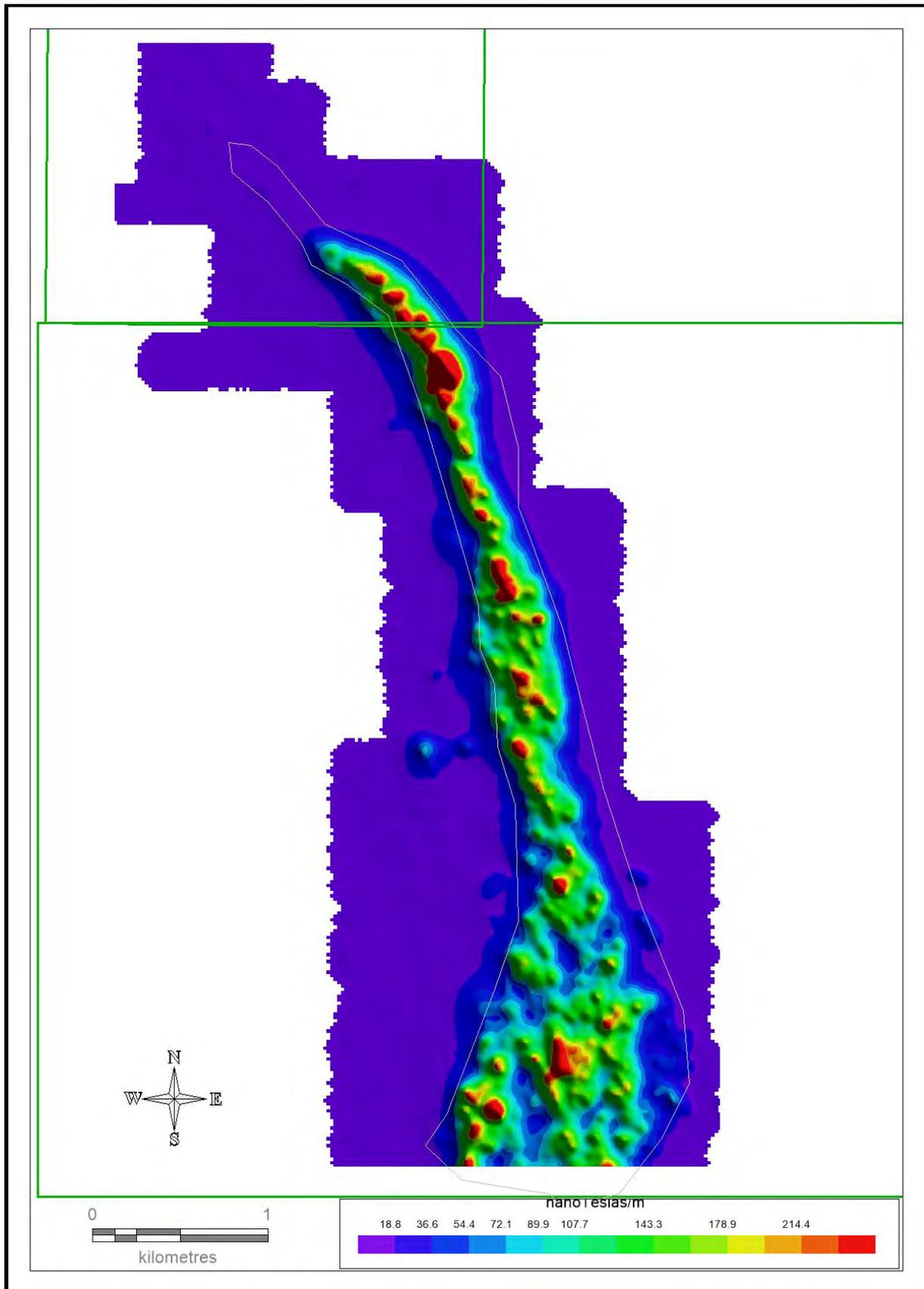
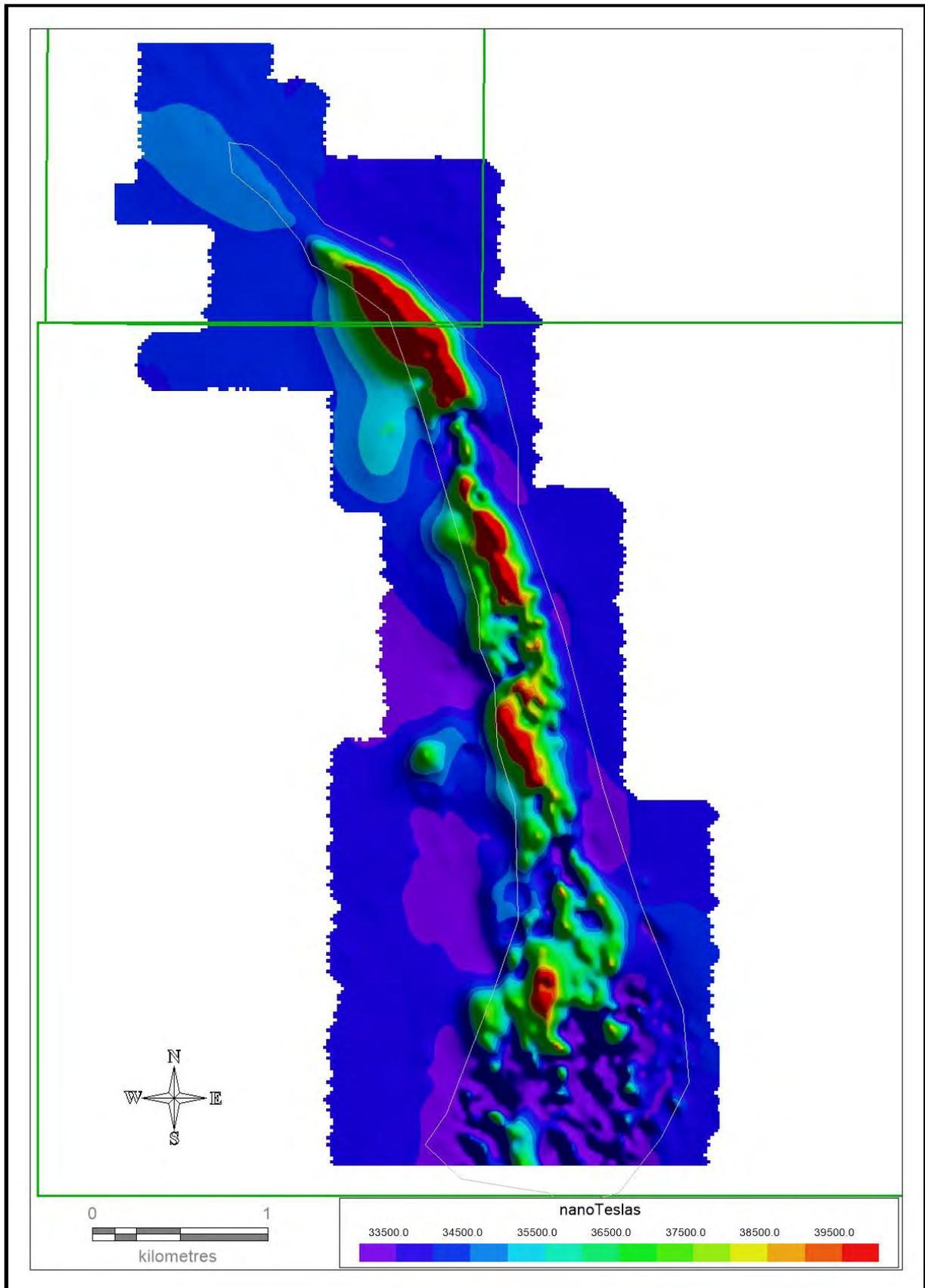


Figure 7.12: Bekisopa Iron Project - Magnetic Image (Analytical Signal, Upward Continued 25m), Satellite Colour Anomaly Shown in Grey Outline



**Figure 7.13: Bekisopa Iron Project - Magnetic Image (RTP, Upward Continued 25m),
Satellite Colour Anomaly Shown in Grey Outline**

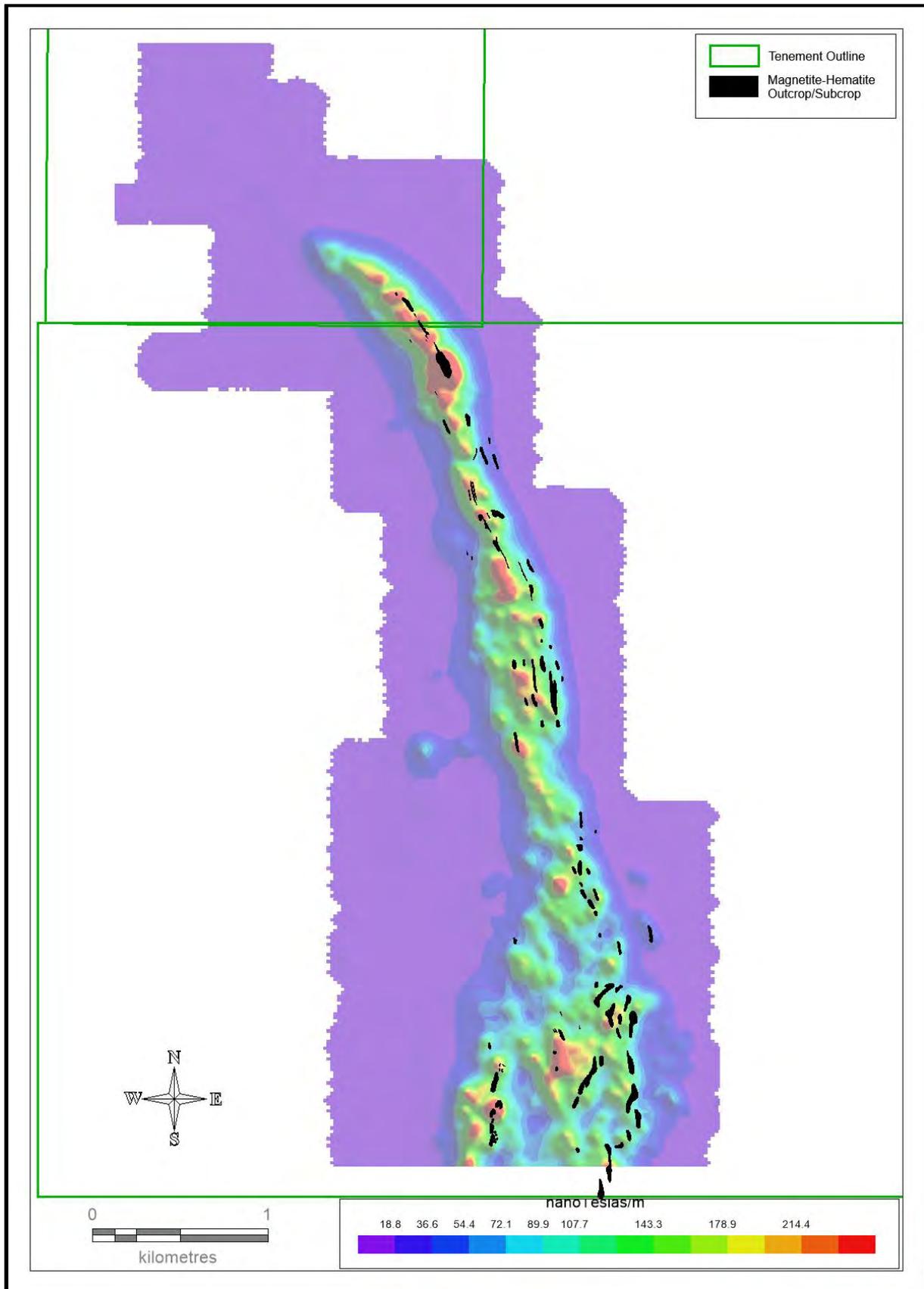
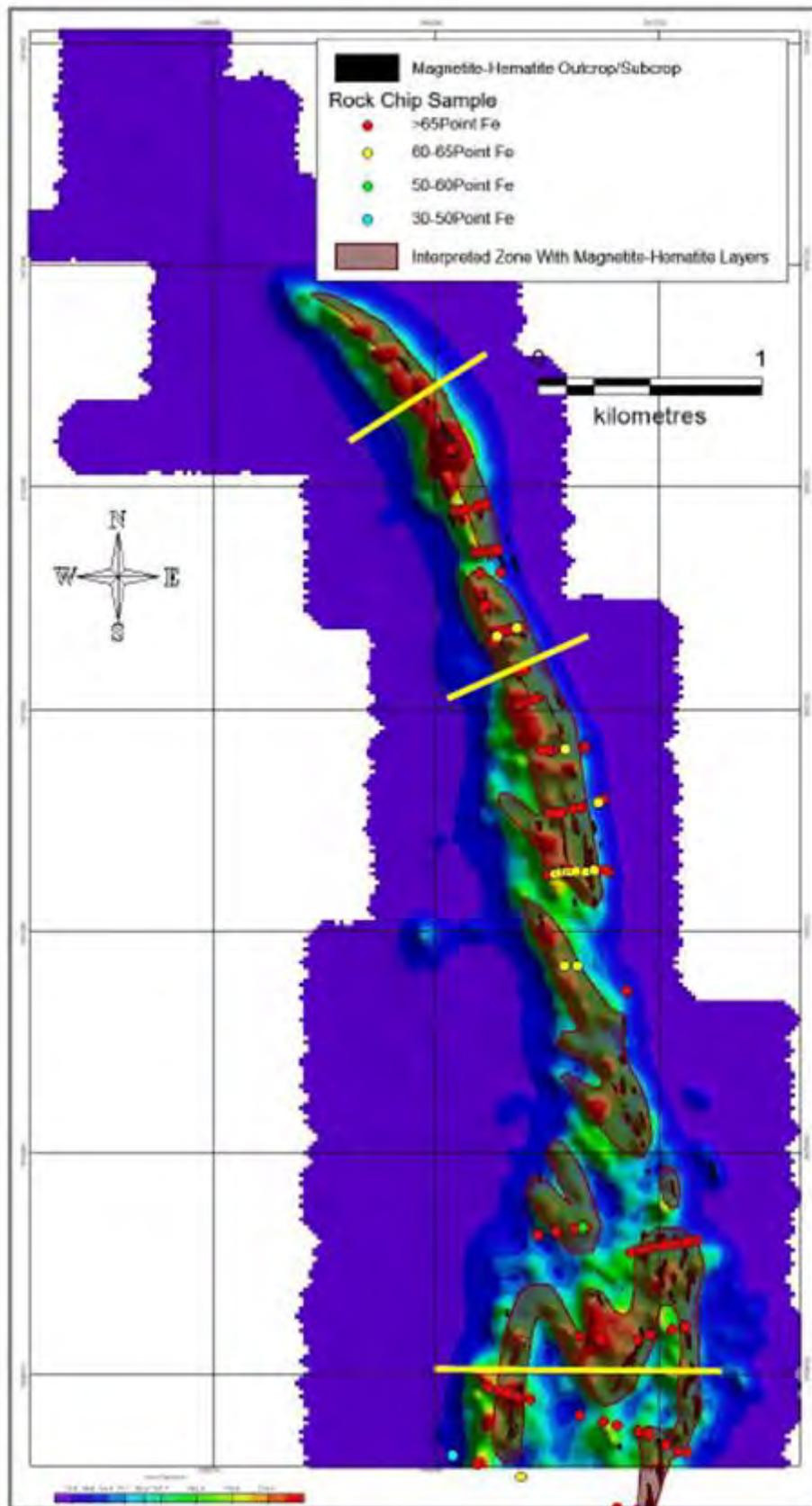


Figure 7.14: Bekisopa Iron Project - Magnetic Image (Analytical Signal, Upward Continued 25m), Magnetite-Hematite Outcrop/Subcrop Shown in Black



**Figure 7.15: Magnetic Image with Interpretation of Magnetite-Hematite Bearing Stratigraphy
Note folding and several dislocations (faulting?). Yellow bars show locations of Cross-Sections**

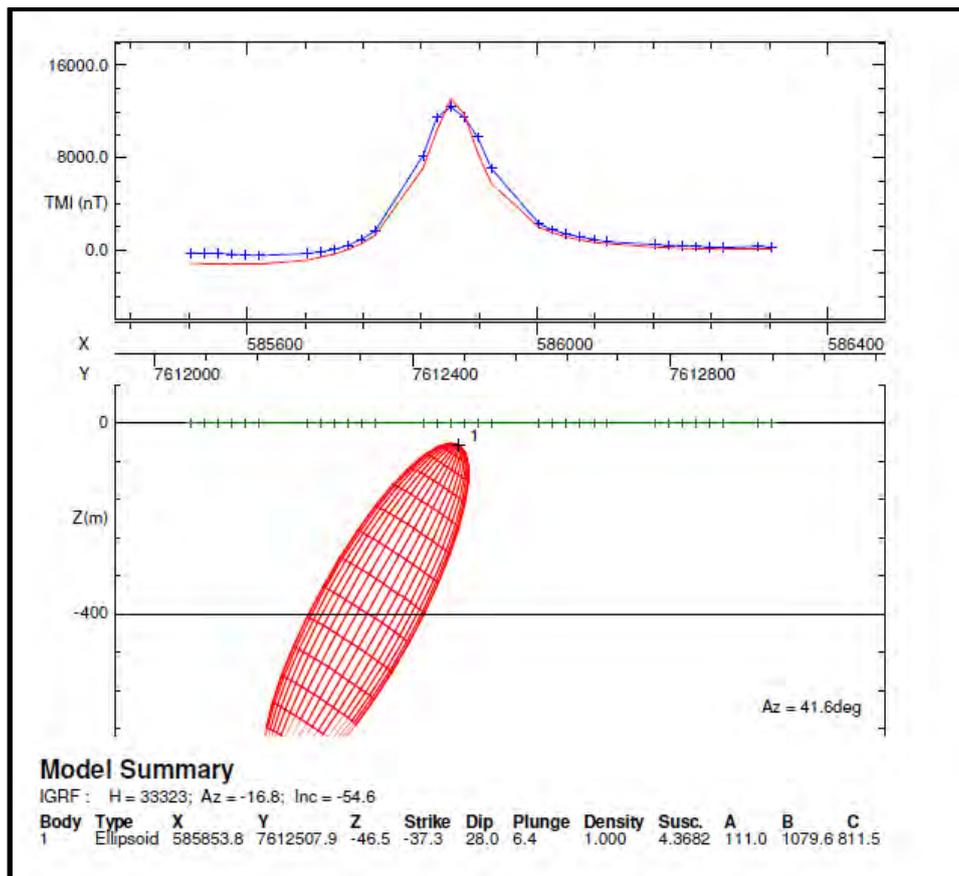


Figure 7.16: Northern Area Traverse Magnetic Modelling

Showing the Presence of a Significant Iron Ore Body, Red Ellipsoid, to a Depth of >500 Metres

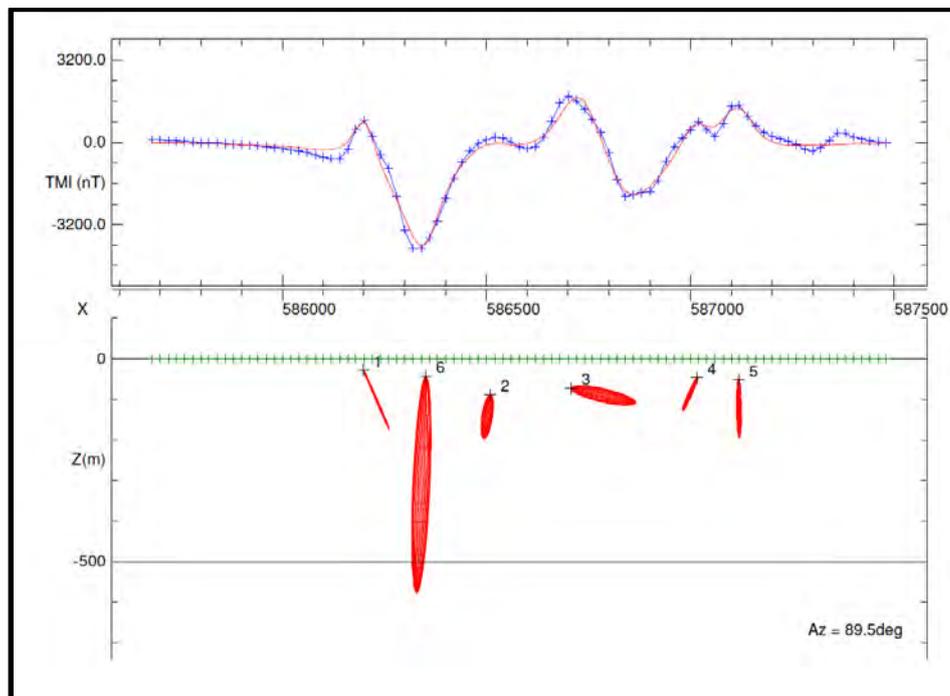


Figure 7.17: Southern Area Traverse Magnetic Modelling

Showing the Presence of Several Iron Ore Bodies Near Surface and to at Least 500m Below Surface

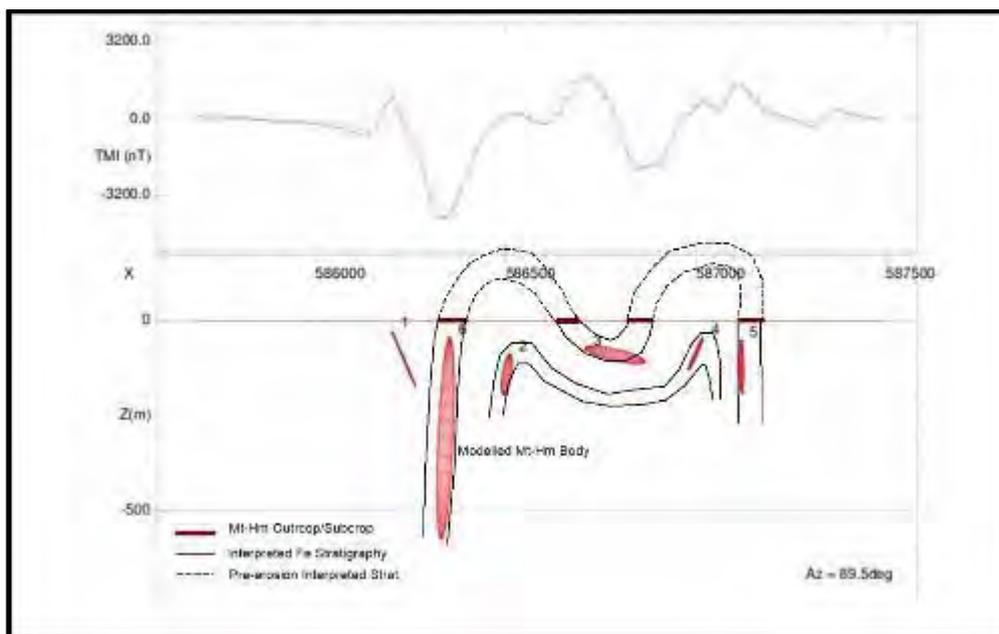


Figure 7.18: Southern Area Traverse Magnetic Model With Sketch Interpretation of the Anticline and Syncline Formations Plus the Surface Outcrops

7.6.3 Summary of Works Completed to Date

Table 7.4 below which summaries the work completed to date and the key findings.

Table 7.4: Works Completed to Date at Bekisopa			
Company	Period	Work undertaken	Key findings
BRGM	1959 - 1962	Geological mapping, geophysical surveying, trenching (4,000m), pitting (564 pits for 1,862m), drilling (22 holes aggregating 572m), petrology and geochemical analysis (2,581 samples).	<p>The iron mineralisation is associated with a zone of calc-silicates and marbles within a high-grade metamorphic terrain.</p> <p>The calc-silicate zone was mapped over a 5km strike length that is 200 - 300m wide in the north where BRGM considered that it dips steeply and up to 1km wide in the south where it may dip at a shallower angle.</p> <p>BRGM considered that the primary iron mineralisation occurs as magnetite concentrations in the calc-silicates, enriched mineralisation and surficial materials (colluvium and laterite).</p> <p>Trench and pit sampling demonstrated that the high-grade mineralisation >50% Fe, occurs in the surficial materials and in the enriched primary zones.</p>

Table 7.4: Works Completed to Date at Bekisopa

Company	Period	Work undertaken	Key findings
			BRGM interpreted the enriched mineralisation as a supergene concentration of the primary mineralisation as most of the pits were dug to the base of the enriched zone where lower grade primary mineralisation was encountered.
UNDP	1976 - 1978	<p>Infilled BRGM pitting so that the 5km mineralised strike length was sampled with ~100m spaced lines.</p> <p>A total of 238 additional pits averaging 3.2m deep each (897m total) were completed along with drilling of two additional holes (101m total).</p> <p>UNDP undertook additional geological mapping and sampling, re-evaluated the BRGM studies and calculated a revised mineralisation inventory.</p>	<p>Defined a series of elongate primary mineralised bands >20% Fe, within the calc-silicate zone.</p> <p>Re-calculated the mineralisation inventory over one third of the total 5km strike length.</p> <p>Identified that mineralisation occurs as a series of sub-parallel bands at several stratigraphic levels, sometimes traceable for over a kilometre.</p> <p>Recognised that high grade bands likely to continue at depth.</p> <p>Suggested potential for around 98Mt to around 20m below surface.</p>
Fugro	2004-2006	World bank funded airborne magnetic and radiometric survey with 500m line spacing.	Defined a magnetic/radiometric anomaly coincident with the 5km strike length of iron mineralisation.
Cline Mining	2005 - 2010	Undertook ground magnetic, gravity and ground penetrating radar surveys.	Demonstrated a gravity anomaly associated with the iron mineralisation.
AKORA Resources Limited	2014 - 2016	<p>Reprocessed and interpreted the geophysical data.</p> <p>Compiled historic geological maps and sampling data into digital formats.</p> <p>Undertook verification rock chip sampling (118 samples) of the surficial iron mineralisation over the 5km strike length.</p>	<p>Confirmed the presence of high grade Fe mineralisation over the 5km zone by assaying 119 rock samples that averaged 66.7% Fe, 1.5% SiO₂, 1.0% Al₂O₃ and 0.075% P.</p> <p>Demonstrated that the 5km calc-silicate zone coincides with a prominent geophysical anomaly comprising coincident magnetic and gravity highs.</p> <p>Identified geological characteristics such as presence of carbonates and faulting associated with the iron mineralisation.</p>
Wardell Armstrong International	2017	Reviewed the previous work, undertook a site visit and compiled this Independent Geologist Report.	<p>The iron mineralisation comprises the surficial deposits that the BRGM, UNDP and AKO have sampled and the underlying protore at depth that is deeper than most of the pits, trenches and drill holes.</p> <p>The historic work is would possibly be adequate to enable compliant resource estimates of the surficial mineralisation if the data were more recent. The</p>

Table 7.4: Works Completed to Date at Bekisopa

Company	Period	Work undertaken	Key findings
			<p>speculative estimates of the potential protore at depth is conceptual only at this point.</p> <p>BRGM and UNDP evaluation of the surficial deposits was extensive and meticulous and, if the data were “modern”, may be sufficient to define an <i>Inferred</i> Mineral Resource.</p> <p>A “back of the envelope” calculation of the surficial deposit tonnage supports the UNDP estimate. The iron grade is less certain, though the UNDP grade is supported by the AKO sampling and a grade of 45 - 55% Fe is considered reasonable, and potentially grading up to 65% in parts.</p> <p>The primary iron mineralisation at Bekisopa is most likely of the Algoma-type magnetite banded iron formation. Whilst the geophysics demonstrates that there is a considerable magnetite concentration associated with the calc-silicate zone, there is very little direct evidence of the underlying BIF protore.</p> <p>Should the potentially economic BIF be shown to extend to a depth of 100m, the primary mineralisation in just the northern lobe could contain >~100Mt magnetite BIF. A typical grade for this style of mineralisation is of 25 to 35% Fe.</p> <p>The potential grade and tonnage of both the surficial deposits and the BIF protore could be readily established sufficiently to report Mineral Resources by fairly standard exploration programmes.</p> <p>At Bekisopa, WAI observed mixed surficial material that contains high grade magnetite, as well as hematite and lateritic soil material. Given this, there is potential for some direct shipping magnetite ore (“DSO”) at Bekisopa.</p> <p>Alternatively, with the presence of high grade magnetite, some normal sorting, washing and crushing could produce an added value product for sale.</p>

Table 7.4: Works Completed to Date at Bekisopa

Company	Period	Work undertaken	Key findings
AKO	2019	Site Visit, Ground Geophysical Survey	<p>The tenure was acquired by AKO during 2014 and work since then has consisted of:</p> <ul style="list-style-type: none"> • Data compilation and interpretation; • Confirmatory rock chip sampling (118 samples) and mapping; • Re-interpretation of airborne geophysical data; and • Ground magnetic surveying (305 line kilometres). <p>There is debate as to which of the following 2 Options the near surface mineralisation is due to:</p> <ol style="list-style-type: none"> 1. Weathering of a more typical magnetite-quartzite type banded iron formation (BIF); or 2. More closely reflects the actual mineralisation at deeper levels and is only moderately altered by weathering effects, such as converting some of the magnetite to hematite and/or limonite-goethite. <p>The absence of any indication of magnetite-quartzite along the entire 7km strike of the mineralisation, the observation of some primary textures within the massive mineralisation such as bedding and alteration around fractures, and the occurrence of high grade disseminated magnetite mineralisation within amphibolite and calc silicate adjacent to massive magnetite-hematite in BRGM trenches led AKO's consulting geologist, Tony Truelove, to conclude that it is more likely that option 2 above is the case, and that bands of massive magnetite-hematite within a lower grade "halo" of disseminated magnetite within amphibolite and calc-silicate, is likely to continue at depth.</p> <p>This provides a large tonnage potential over the 7km strike within the AKO tenement.</p> <p>WAI concurs with this assessment.</p>

Company	Period	Work undertaken	Key findings
			The geophysical survey shows the mineralisation is semi-continuous over at least 7km combined strike and that it extends to greater than 500m depth in most areas.

7.6.4 Discussion of Results

The exploration to date has shown that significant areas of high-grade iron-ore mineralisation are present to at least 20m below surface (the depth of the majority of the previous drilling) over a strike extent of plus 5km.

While this was interpreted as being due to surficial enrichment by the BGRM, the UNDP geologists considered that the massive magnetite-hematite mineralisation was likely to continue at depth. This is also the conclusion of AKO based on the presence of primary structures such as banding (bedding?) and alteration zones around fractures within these units.

It is also difficult to reconcile the massive magnetite-hematite as a weathering effect when high grade disseminated magnetite bearing amphibolite and calc-silicate is noted at surface adjacent to the massive mineralisation.

A good example is provided by BRGM Trench 7 which shows high grade (plus 60% Fe) massive magnetite-hematite adjacent to moderate to high grade (30 - 60% Fe) disseminated magnetite and “barren” country rock (Figure 7.19 and Figure 7.20 below).

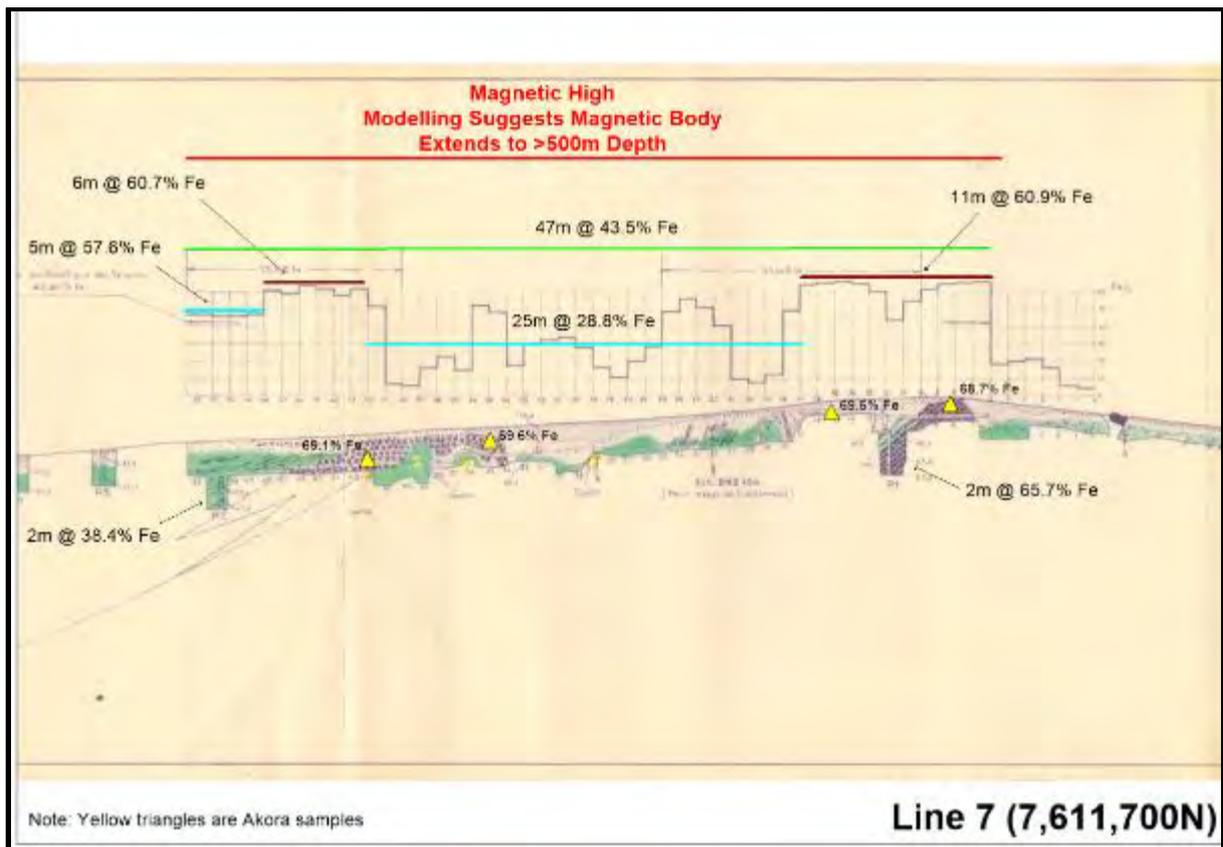


Figure 7.19: BRGM Trench 7
Note Significant Disseminated Magnetite Mineralisation (Blue Lines)
Adjacent to Massive Magnetite-Hematite Bands (Brown Lines)

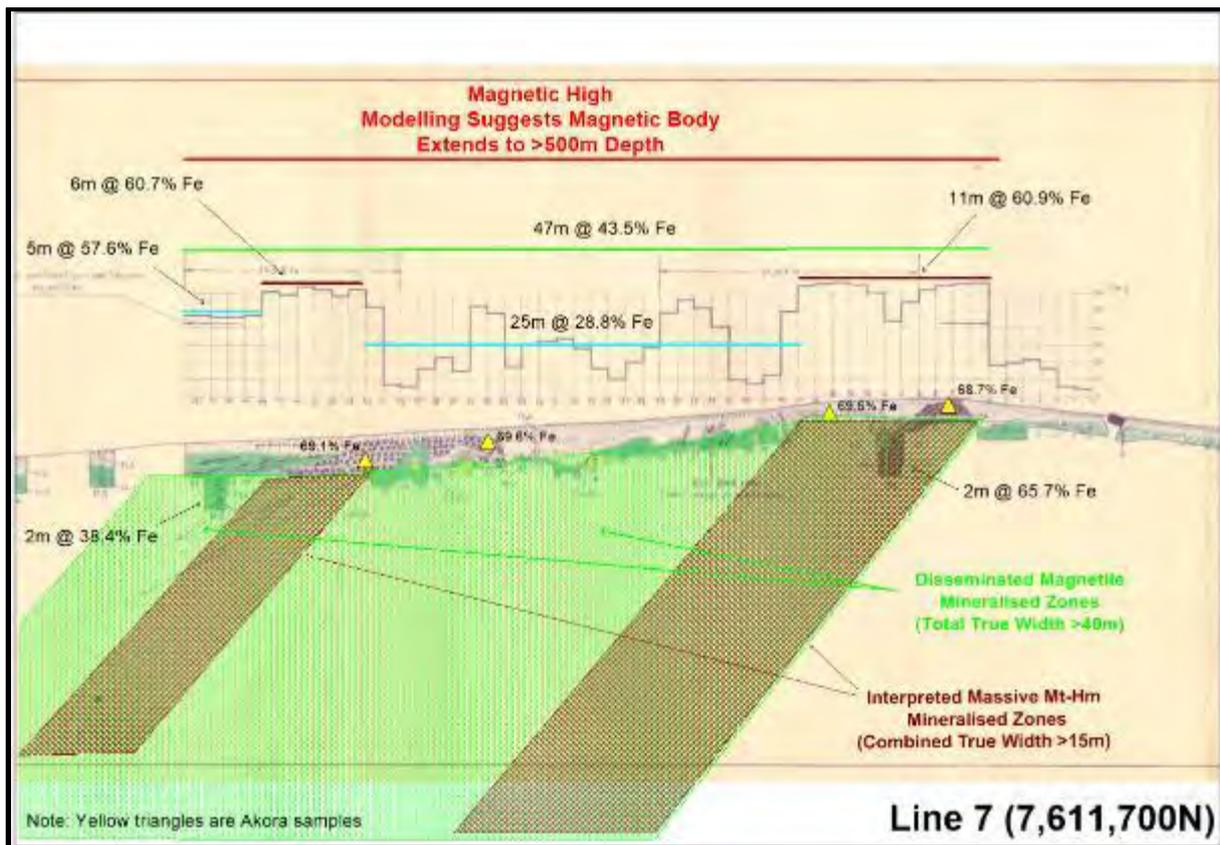


Figure 7.20: BRGM Trench 7 with Mineralisation Interpreted Extending to Depth

Many of the previous drillholes of BRGM were very shallow (generally less than 19m) and many finished in massive magnetite-hematite mineralisation or had a single metre of “country rock” at their end.

This could easily be a small interbed of either disseminated magnetite mineralisation or barren country rock and is not considered a reliable indicator that massive magnetite-hematite mineralisation has been terminated. However, based on this, BRGM interpreted the mineralisation to be either a surficial cap or to have a very shallow dip.

It is evident from both BRGM trench exposures (Figure 7.20) and from magnetic modelling (see above) that the majority of the magnetite mineralisation is likely to have a moderate to steep dip in most instances (e.g. Photo 7.10) and this would suggest considerable depth potential for both the massive mineralisation and the intervening disseminated mineralisation.

Based on these interpretations, good potential can be seen for several massive magnetite-hematite layers from a few metres to over 20m thick and grading over 60% Fe within a broader zone of disseminated magnetite mineralisation grading 30 - 60% Fe. It is highly likely that this package will continue at depth and potential can be seen over the full 5 - 7km strike within AKO’s current tenure, see Figure 7.21 below.



Photo 7.10: BRGM Trench 39 Looking South - Note Apparent Steep (60 - 70° West) Dip

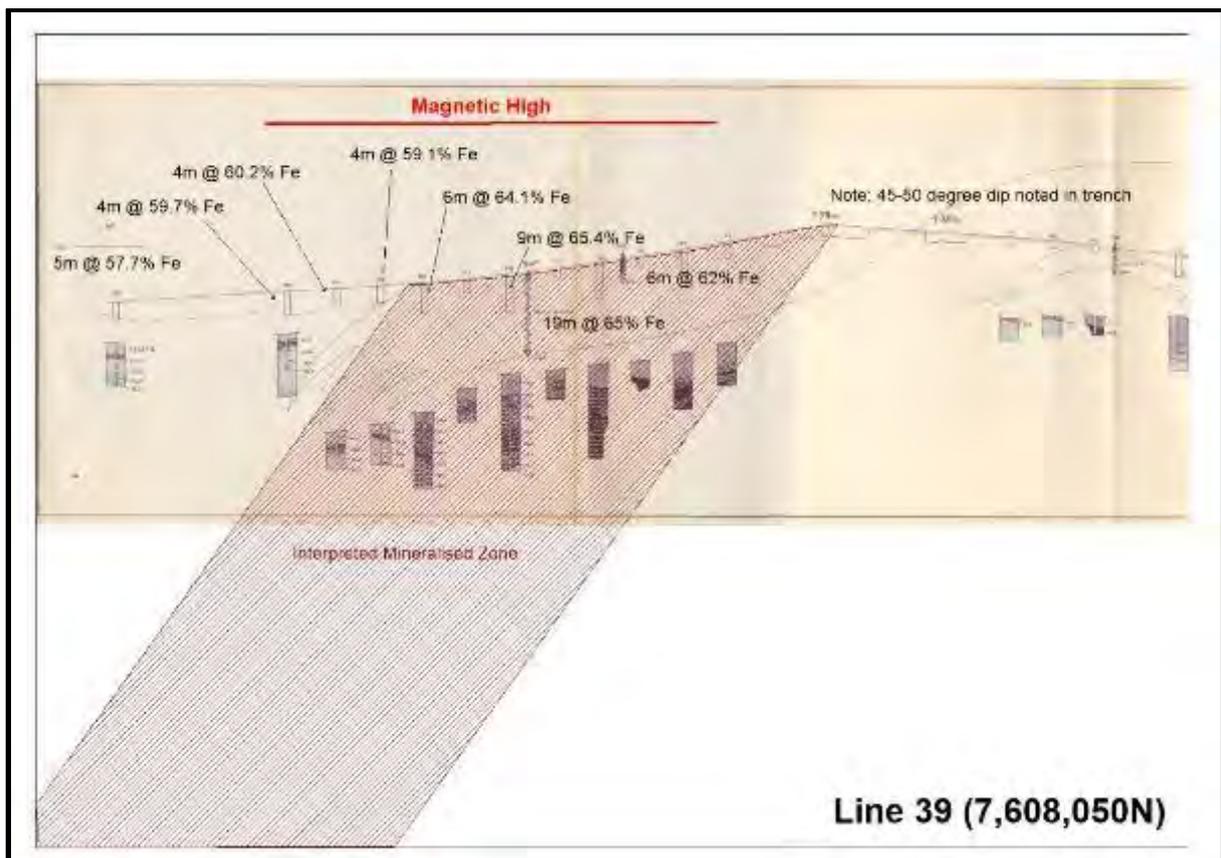


Figure 7.21: BRGM Drilling and Trenching Line 39

Note Shallow Dip Interpreted by BRGM Based on Single Half Metre of Micaceous Rock at the End of One Drillhole (Not Assayed). Interpreted Mineralised Zone defined by AKO is Based on Trench Exposures and Magnetic Modelling

A contour of minimum thickness of plus 60% Fe mineralisation has been produced by AKO based on the existing drilling, trenching and pitting data as shown on Figure 7.22.

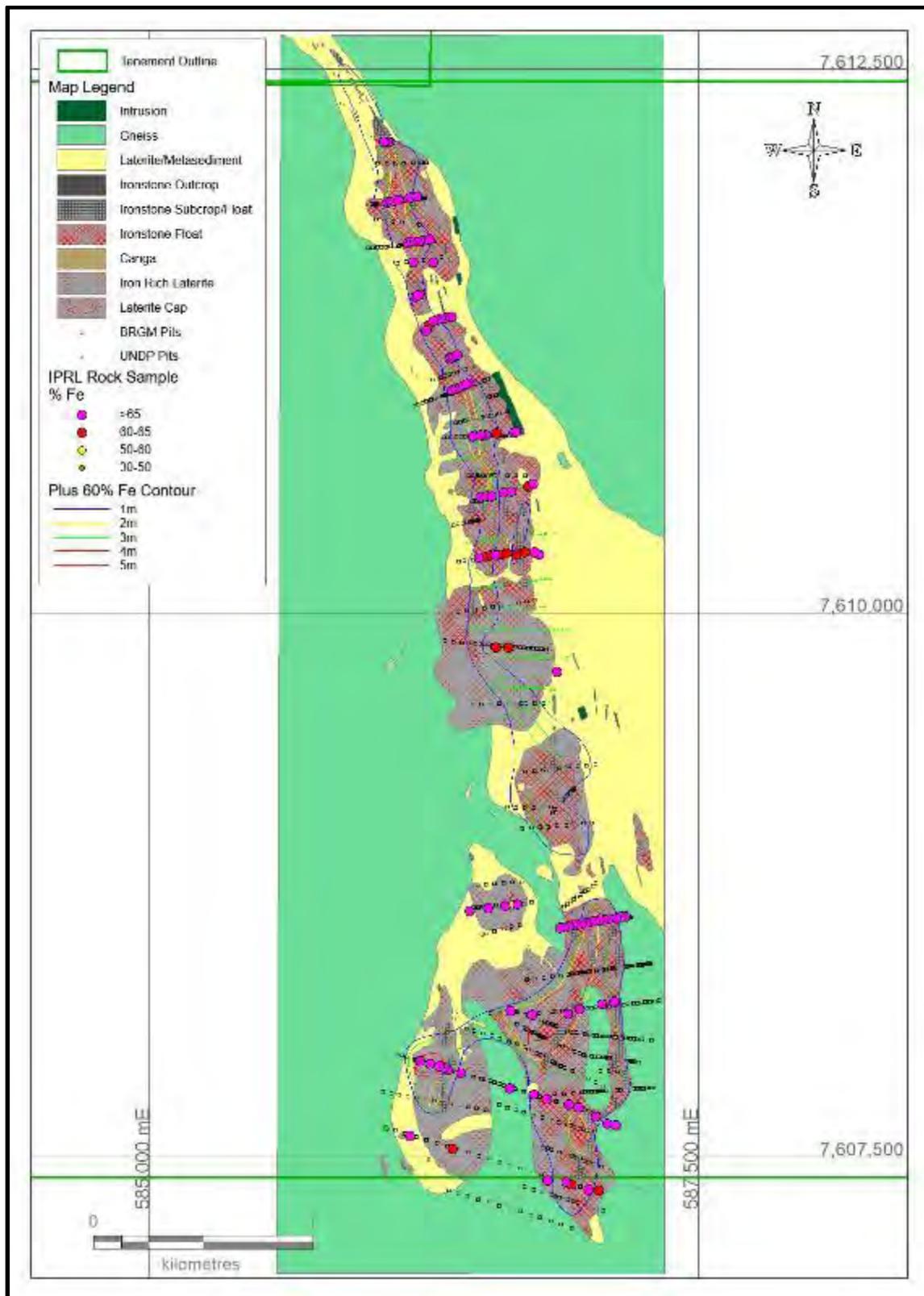


Figure 7.22: Contours of Depth of Plus 60% Fe Surficial Material

7.6.5 Exploration Target

Under the guidelines of the JORC Code (2012) a Competent Person may declare an Exploration Target.

Given the exploration to date has shown that significant areas of high-grade iron-ore mineralisation are present to at least 20m below surface over a strike extent of plus 5km, it is possible to complete an estimate of the potential tonnage of plus 60% Fe material near surface (to a maximum depth of 20m), namely 10 - 20Mt grading 60 – 65% Fe (Exploration Target No. 1) see Table 7.5 below.

The potential quantity and grade of this target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource, and it is uncertain if further exploration will result in the estimation of a mineral resource.

It does not appear as though the plus 60% near surface mineralisation is distributed much wider than the outcrops/subcrops of massive magnetite-hematite and hence only minor downslope creep is interpreted.

Based on that, it is not unreasonable to assume the mineralisation continues at depth at similar tonnages and grades, and thus an Exploration Target of 50Mt to 100Mt at similar grades (60 - 65% Fe) can be interpreted to 100m depth (Exploration Target No. 2).

The potential quantity and grade of this target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource, and it is uncertain if further exploration will result in the estimation of a mineral resource.

As noted previously, there is ample evidence that significant “disseminated magnetite” material occurs between the massive magnetite bands/lenses and this tends to average between 30% and 60% Fe.

The combined width of the package of massive and disseminated magnetite varies from around 35m to over 100m. If an average width of 50m is assumed (this is likely to be conservative as complex folding probably repeats the stratigraphy in the south), using a total strike of 7,000m, and modelled to a depth of 500m, an Exploration Target (Exploration Target No. 3) for the system as a whole can be estimated at between 0.5Bt to 1Bt of 30 - 60% Fe. While there is some faulting present, this appears to have displaced the mineralised bands rather than terminated them.

The potential quantity and grade of this target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource, and it is uncertain if further exploration will result in the estimation of a mineral resource.

Depending on the extent of the high-grade massive magnetite-hematite mineralisation, it may be feasible to undertake a conventional mining and screening operation, and produce high grade lump magnetite ore, plus a separate high-grade fines product.

The Bekisopa project should be viewed as an Exploration Target as at this stage, as the existence of potentially economic ore at depth has yet to be shown. However, the figure of 50Mt to 100Mt tonnes of high-grade massive magnetite-hematite mineralisation to a depth of 100m makes Bekisopa an exploration target that merits further work.

While the WAI Exploration Targets are not able to be quoted as a Mineral Resource under the guidelines of the JORC Code (2012), they do fall within the same order of magnitude as the BRGM and UNDP near surface mineralisation estimates, see Table 7.5 below and hence supports these numbers.

	Target 1 Surficial Material	Target 2 High-grade Mineralisation to 100m Depth	Target 3 High-grade plus Intervening Disseminated Mineralisation
Tonnage Range	10 - 20	50 - 100	500 - 1,000
Grade Ranges % Fe	50 - 65	50 - 65	30 - 60

The potential quantity and grade of this target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource, and it is uncertain if further exploration will result in the estimation of a mineral resource.

The methodology in determining these tonnage ranges are shown below.

Target 1: Surficial Material			Target 2: High-Grade Mineralisation to 100m Depth			Target 3: High-grade plus Intervening Disseminated Mineralisation		
Parameters	Low Range	High Range	Parameters	Low Range	High Range	Parameters	Low Range	High Range
Length (M)	5,000	5,000	Length (M)	5,000	5,000	Length (M)	5,000	5,000
Width (M)	200	200	Width (M)	50	50	Width (M)	50	100
Depth (M)	2.5	5	Depth (M)	50	100	Depth (M)	500	500
Specific Gravity	4.0	4.0	Specific Gravity	4.0	4.0	Specific Gravity	4.0	4.0
Tonnage Range	10,000,000	20,000,000	Tonnage Range	50,000,000	100,000,000	Tonnage Range	500,000,000	1,000,000,000

To confirm the exploration targets detailed above, AKO intend to complete a programme of drilling (2,000 - 3,000m see Table 16.1) to test the main magnetic anomaly and mapped iron mineralisation at Bekisopa, and additional ground magnetics, to also define the magnetic anomalies, with associated geological mapping and rock chip sampling over the highest priority targets.

Most of the activities will be readily verifiable by a fairly standard exploration/evaluation approach, and such a work programme is given below in Appendix 1 and is in line with that already proposed by AKO.

The main aim is to test for the near surface mineralisation and the down dip potential of the known high-grade surface mineralisation, based on a combination of drilling, mapping, trench/pit sampling and ground magnetic surveying.

These works shall be completed over the next 2 years and are intended to allow (results dependant), for the completion of a Mineral Resource Estimate in accordance with the guidelines of the JORC Code (2012).

7.7 Recommendations for 2020

WAI concurs with Mr Tony Truelove that exploration expenditure for 2020 - 2012 should comprise of 2 areas of activities, namely;

- Drilling over the main Bekisopa project, see section 7.7.1; and
- Phase 2 geophysical surveys over other priority targets in the Bekisopa licences, see 7.7.2 below.

7.7.1 Drilling at Bekisopa

A programme of RC drilling (or diamond drilling depending on access/cost) is proposed to test the main magnetic anomaly and mapped iron mineralisation at Bekisopa.

The main aim is to test for down dip potential of the known high-grade surface mineralisation, based on a combination of mapping, trench/pit sampling and ground magnetic surveying.

A programme has also been designed to test the near surface mineralisation but that is proposed as the Phase 2 programme once depth continuity has been established. The Phase 2 programme should enable a JORC Mineral Resource Estimate for the near surface mineralisation.

An initial programme of 1,000m drilling is proposed, but this may be prioritised to an initial 700m as noted below in Table 7.6, and Figure 7.23.

Hole Number	Northing (WGS84)	Easting (WGS84)	Declination (degrees)	Azimuth (degrees)	Final Depth (m)	Priority
IPBEKRC1	7,611,700	586,160	-60	090	100	1
IPBEKRC2	7,611,000	586,350	-60	090	100	2
IPBEKRC3	7,610,800	586,450	-60	090	120	2
IPBEKRC4	7,610,800	586,550	-60	090	80	2
IPBEKRC5	7,609,300	586,700	-60	090	80	1
IPBEKRC6	7,609,300	586,800	-60	090	120	1
IPBEKRC7	7,608,150	586,750	-60	090	100	1
IPBEKRC8	7,608,150	586,800	-60	090	100	1
IPBEKRC9	7,608,150	586,850	-60	090	100	1
IPBEKRC10	7,607,600	586,925	-60	090	100	1

Drill-hole locations are shown in Figure 7.23 to Figure 7.26, and cross-sections are shown in Figure 7.27 to Figure 7.32.

7.7.1.1 Targets

Targets are discussed below:

Line 7 (7,611,700N)

Drill-hole IPBEKRC1 is designed to test the northern area where a well-defined magnetic anomaly is associated with significant iron mineralisation in trenching (6m @ 60.7% Fe and 11m @ 60.9% Fe). Modelling of the magnetics suggests a steep westerly dip for the mineralisation, but trench mapping by BGRM suggest a shallow westerly dip. The drill-hole is designed to test both possibilities, see Figure 7.24, and Figure 7.27 below.

Line 16 (7,611,000N)

Drill-hole IPBEKRC2 is also designed to test the northern area where a more intense magnetic high than that seen on Line 7 is associated with significant, but slightly lower grade iron mineralisation in trenching (14m @ 55.9% Fe, 26m @ 56.2% Fe and 10m @ 54.3% Fe). The two possible dips noted for line 7 will also be tested by this drilling, see Figure 7.24 and Figure 7.28 below.

Line 19 (7,610,800N)

Two drill holes have been designed on this section (northern area) to test the main magnetic anomaly plus a second lower intensity magnetic anomaly further east. The main anomaly is coincident with a trench result of 20m @ 61% Fe and drill-hole IPBEKRC3 will test this mineralisation and will also test a shallower dip if that is the case. The eastern anomaly is also associated with significant iron mineralisation in trenching (9m @ 59% Fe) and this will be tested by drill-hole IPBEKRC4 assuming a westerly dip (no information on dip is available for this zone), see Figure 7.24 and Figure 7.29 below.

Line 27 (7,609,300N)

Two drill-holes have been designed to test the central area where well defined positive and negative magnetic anomalies are located. Drill-hole IPBEK5 is designed to test the negative magnetic anomaly which is associated with 3m @ 62% Fe in a pit sample. Drill hole IPBEKRC6 is designed to test the main positive magnetic anomaly that is associated with several high order pit sample iron anomalies (4m @ 64.2% Fe, 6m @ 65.4% Fe and 2m @ 61.3% Fe in three adjacent pits). A steep westerly dip has been assumed for the mineralisation based on magnetic modelling as no trenching is located in this area, see Figure 7.25 and Figure 7.30 below.

Line 37 (7,608,150N)

This line is located within the area of the best of the known surficial iron mineralisation in the southern area, associated with a well-defined magnetic low and lower order magnetic high. Three holes have been designed to test depth potential as well as the near surface mineralisation (up to 16m @ 65% Fe). Magnetic modelling suggests a complex situation with both steep westerly dips plus a shallow (to flat) easterly dip. Trench mapping by BRGM suggests a flat westerly dip and recent observations by the author suggest a moderate (~60°) westerly dip. Due to this confusion, three closely spaced drill holes are proposed (IPBEKRC7-9). These will test both shallow and steep westerly dips and should give some indication if a shallow easterly dip is present, see Figure 7.26 and Figure 7.31 below.

Line 44 (7,607,600N)

This line is located close to the southern tenement boundary in the southern area and drill-hole IPBEKRC10 is designed to test a well-defined magnetic low directly associated with significant iron mineralisation in pits and shallow drilling. A steep westerly dip is assumed from magnetic modelling, but a shallower westerly dip will also be tested by the proposed drill-hole, see Figure 7.25 and Figure 7.32 below.

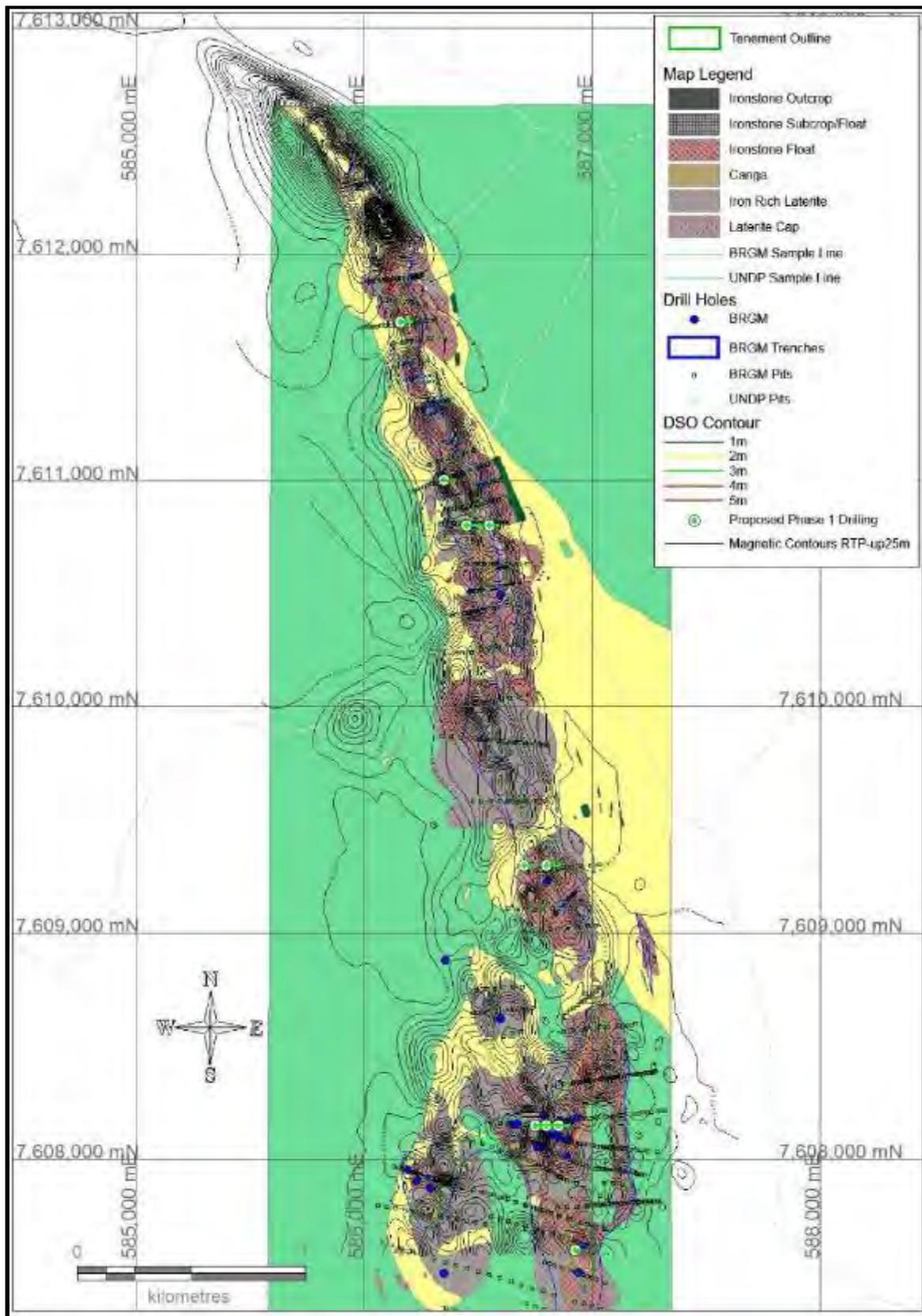


Figure 7.23: Bekisopa Overview Plan showing Magnetic Contours and Proposed Drill-holes

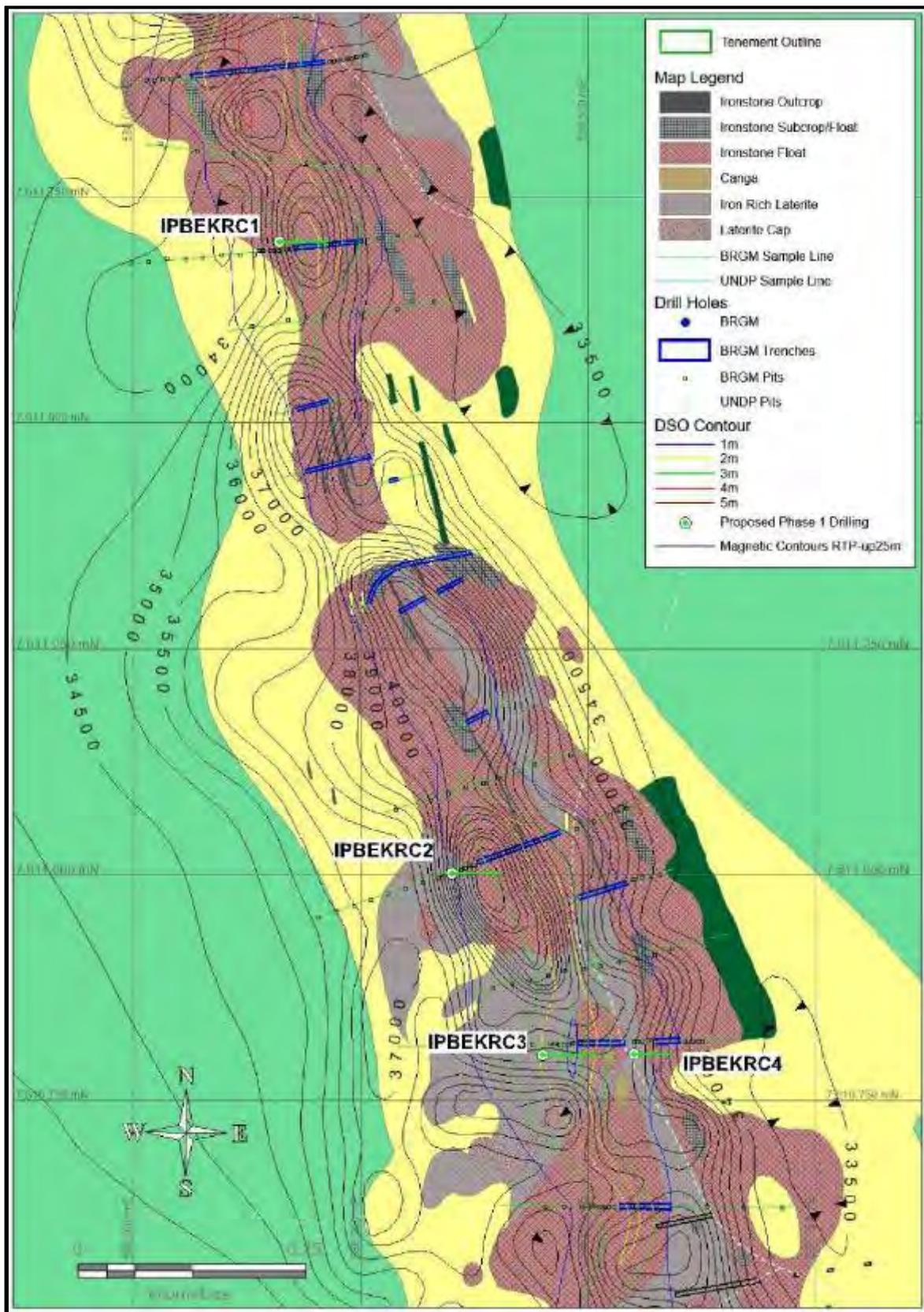


Figure 7.24: Bekisopa Proposed Drilling Plan, Northern Area

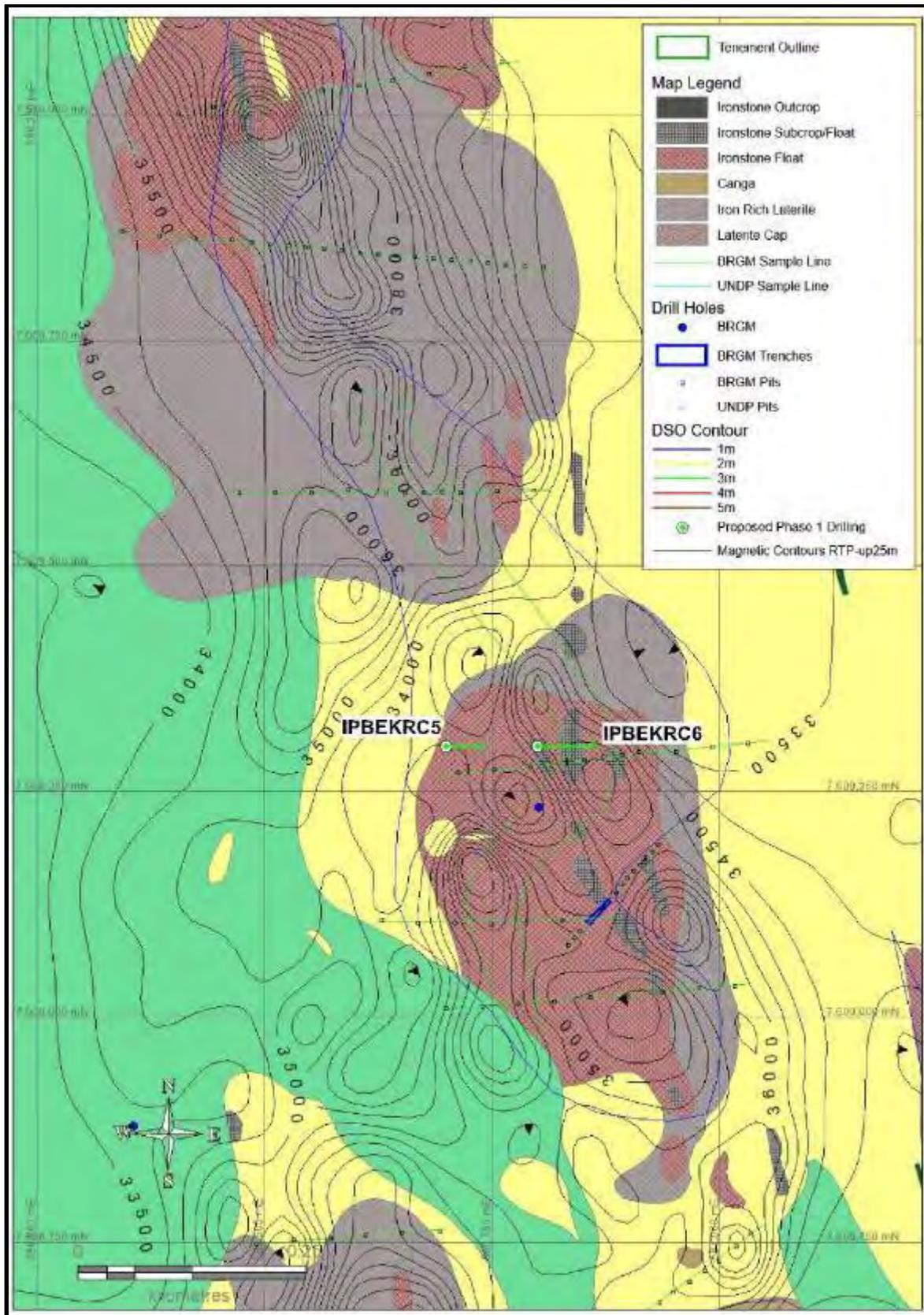


Figure 7.25: Bekisopa Proposed Drilling Plan, Central Area

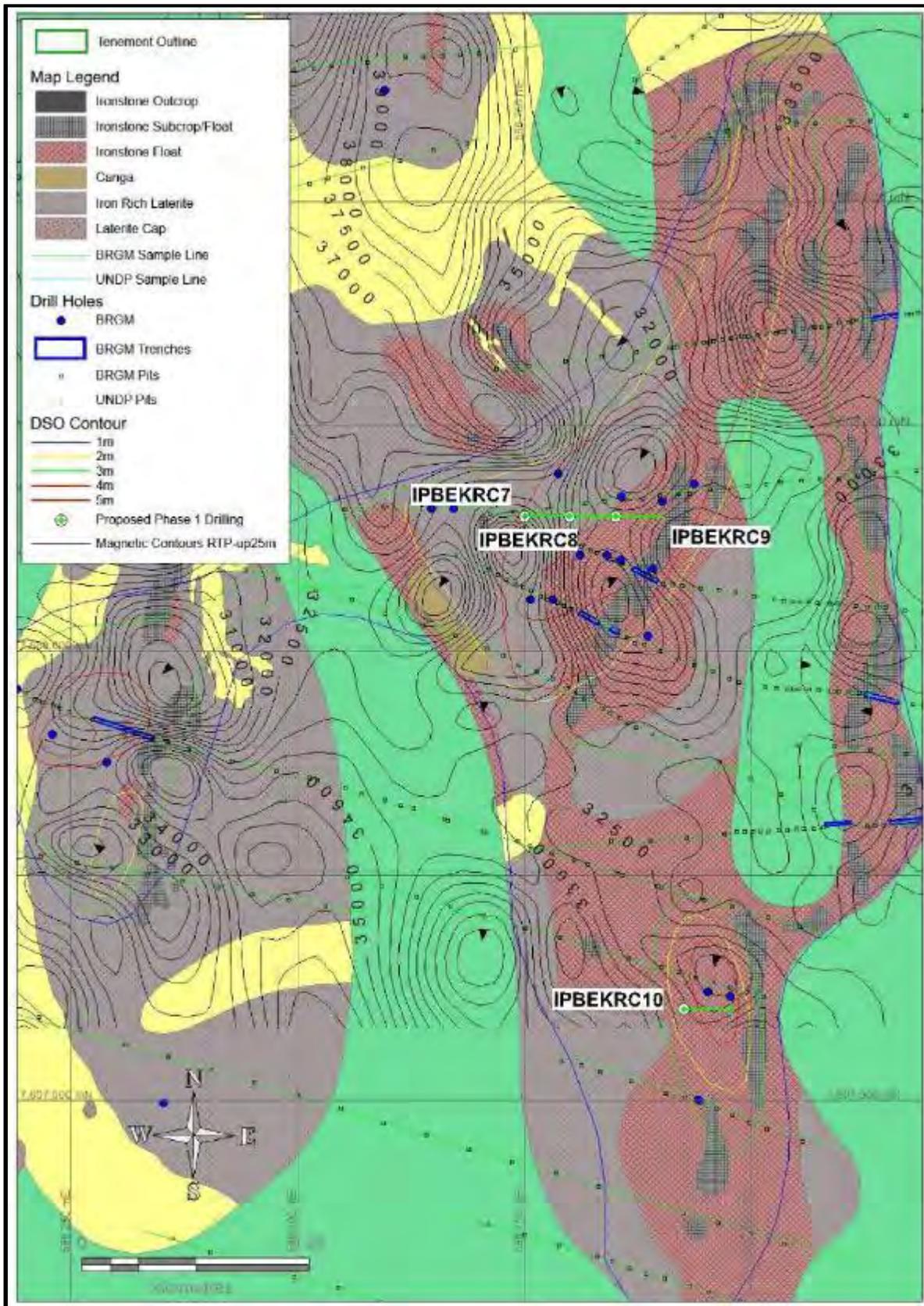


Figure 7.26: Bekisopa Proposed Drilling Plan, Southern Area

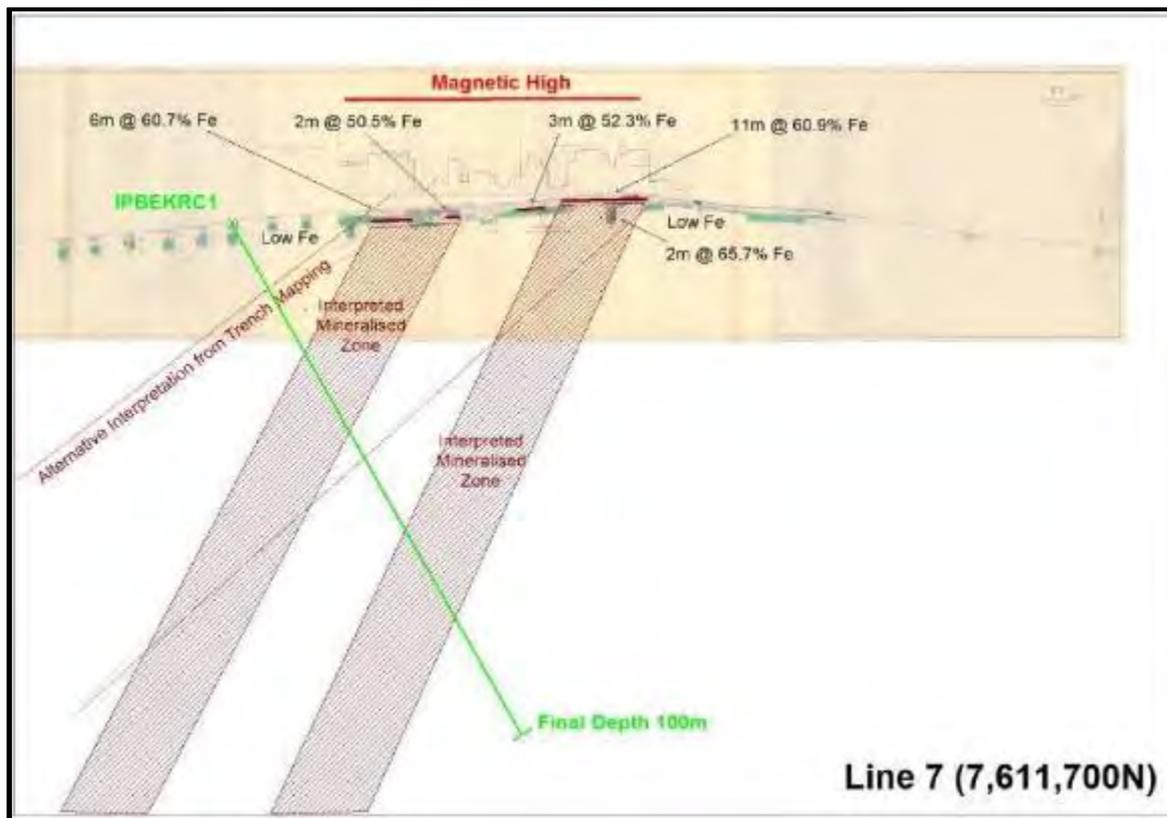


Figure 7.27: Cross Section Line 7

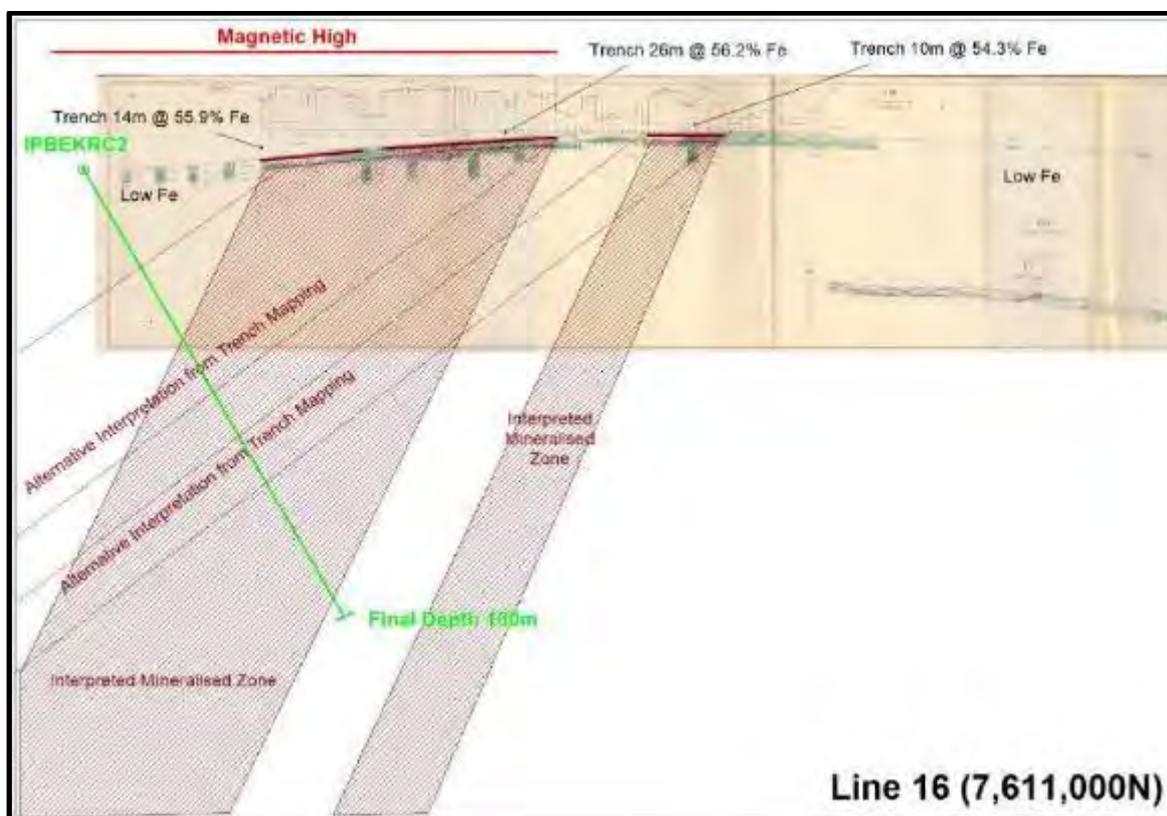


Figure 7.28: Cross Section Line 16

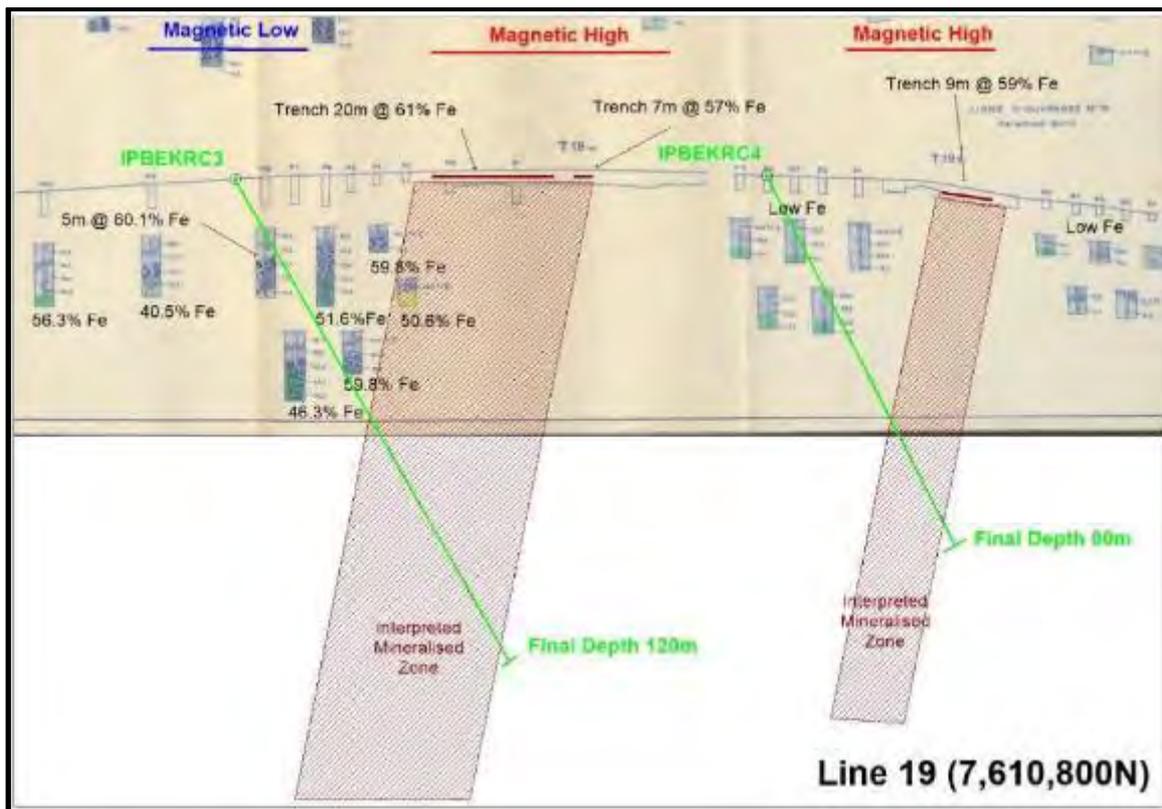


Figure 7.29: Cross Section Line 19

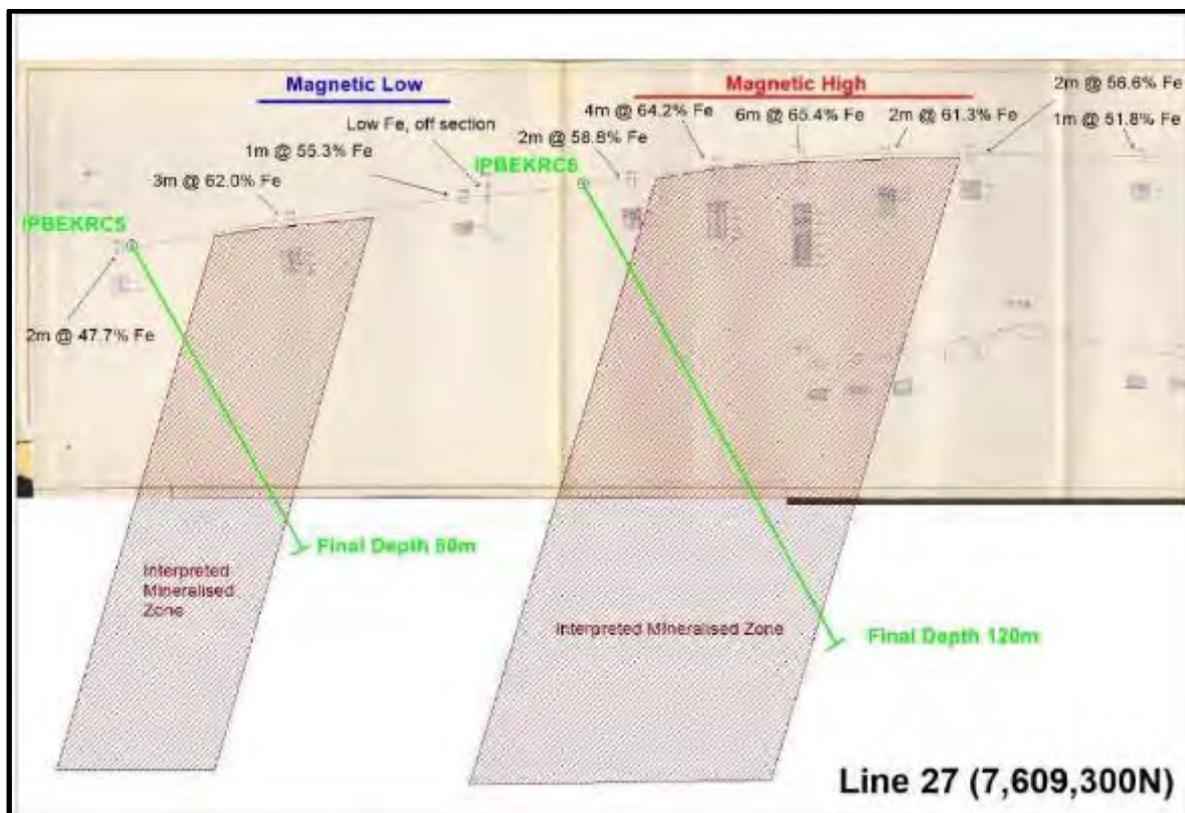


Figure 7.30: Cross Section Line 27

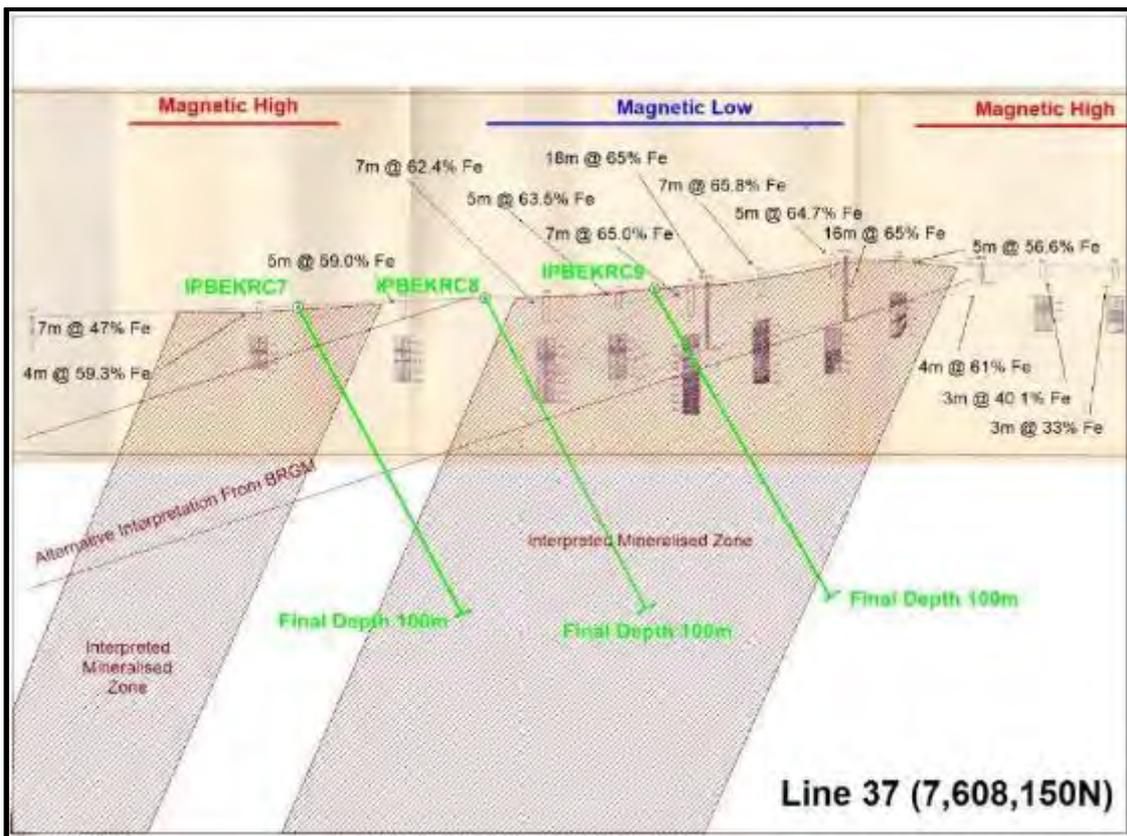


Figure 7.31: Cross Section Line 37

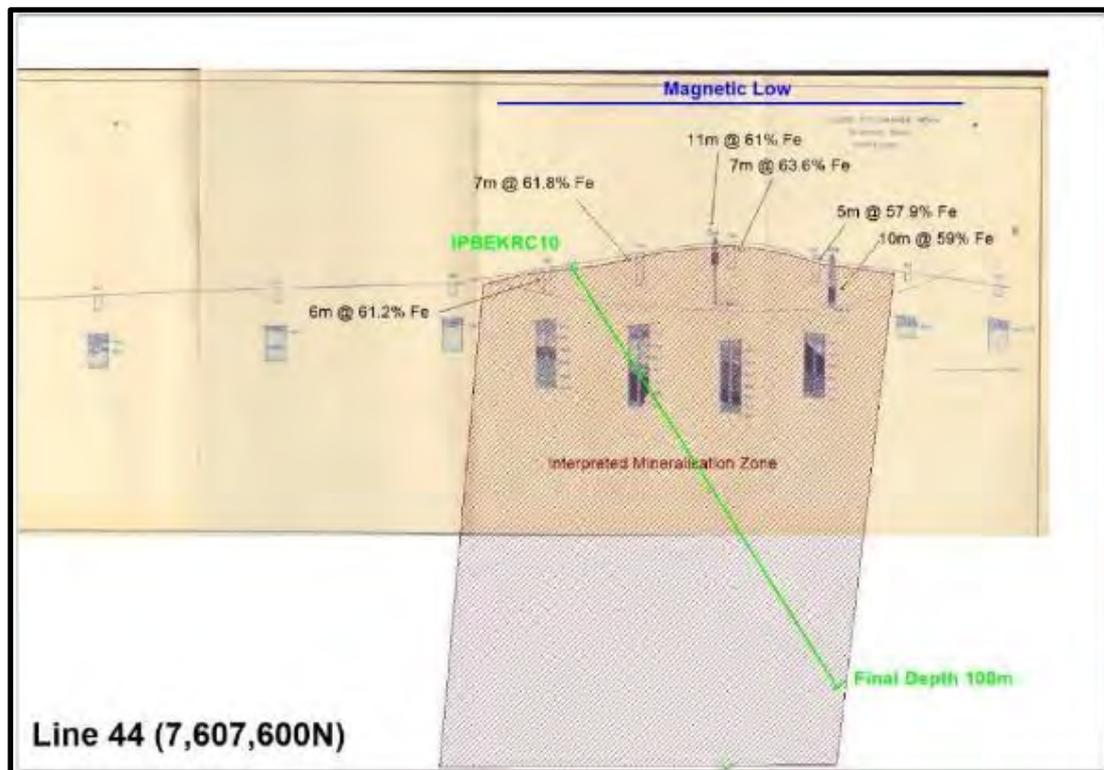


Figure 7.32: Cross Section Line 44

7.7.2 Ground Magnetic Survey Phase 2

It is proposed to conduct ground magnetics, to define magnetic anomalies, and associated geological mapping and rock chip sampling over the highest priority targets (see oval in Figure 7.33 below) in the AKO regional exploration tenements, in the Bekisopa district.

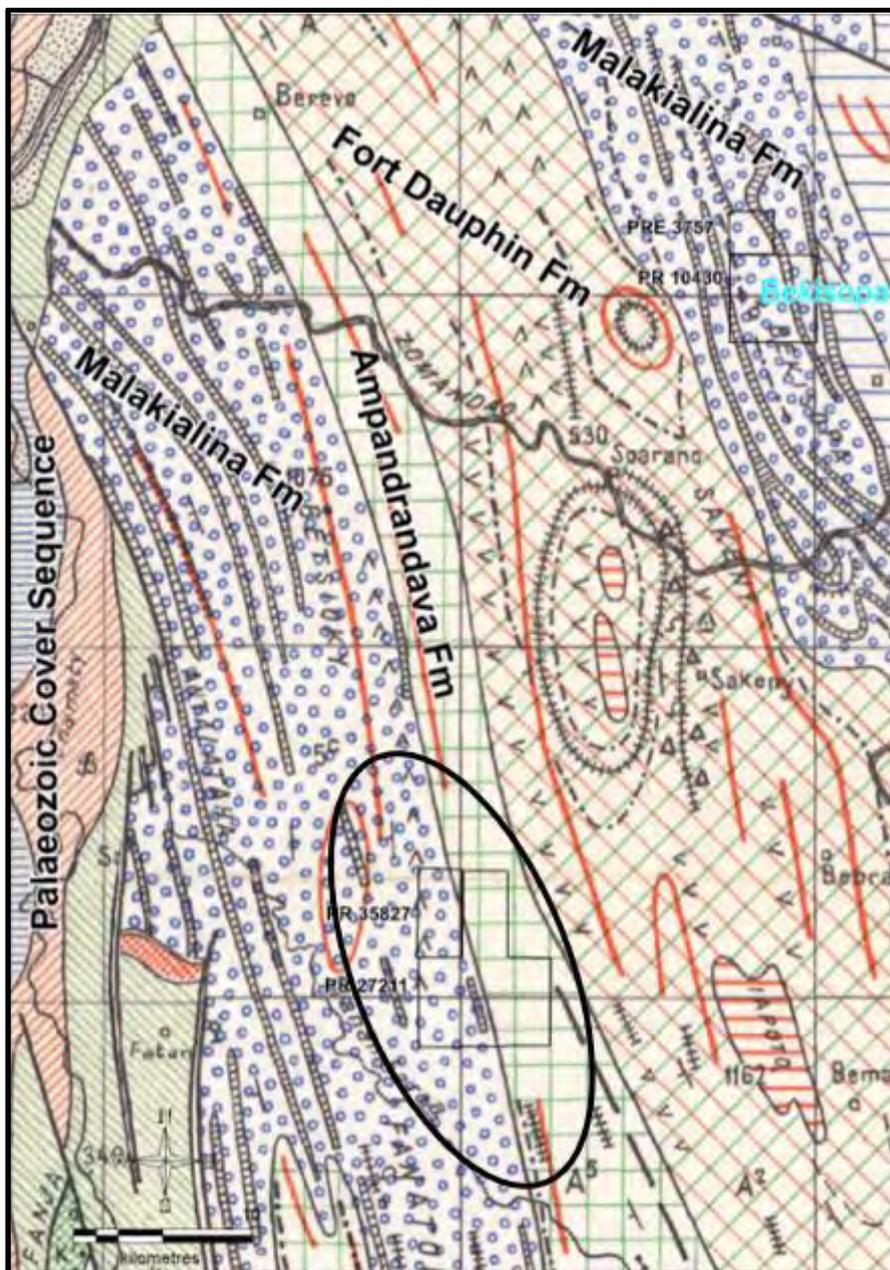


Figure 7.33: Geological Map of the Bekisopa Area
Licences shown as Black Outlines

A review of the magnetics data and previous reports on the geophysics has been undertaken and the previously identified Zone F selected as a priority target. This is represented by a 3 milliGal gravity anomaly with an associated 4,500 nanoTesla magnetic anomaly. These are noted as being similar to those observed at Bekisopa and a synformal structure is suggested. A previous 2km traverse on an east-west line showed generally flat ground with little outcrop. However, float of massive magnetite boulders were noted.

All lines should be geologically mapped, and any iron-rich rocks sampled. Reconnaissance mapping/prospecting of surrounding areas should also be conducted while on site.

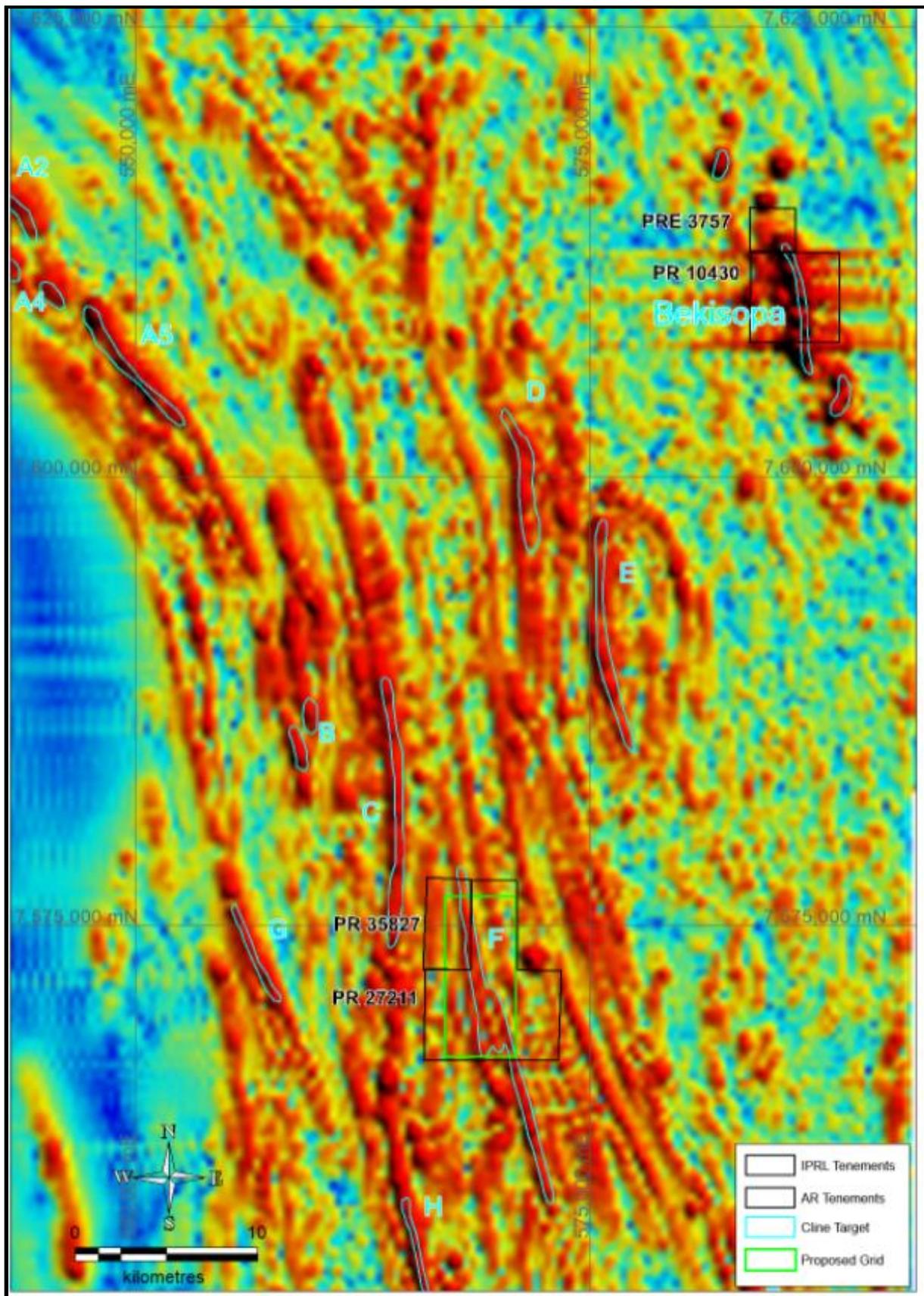


Figure 7.34: Location of Proposed Ground Magnetic Grids F

8 TRATRAMARINA

8.1 Recent Works 2019

No works have been completed; hence this section remains unchanged.

8.2 Historical Exploration

The situation at Tratramarina is more complex than that at Bekisopa in that there is little “history” behind the iron ore prospecting at this site prior to very recent times. This is because the iron ore was unknown to the “outside world”, although known to the locals, before the World Bank-funded airborne geophysical survey carried out (by Fugro) in the years 2004 – 2006.

Minor (artisanal) gold workings are present in the area and have been active for a number of years. These are largely alluvial-based in the Mangoro River and the source of the gold is distal (up-stream) rather than proximal in the AKO project area. However, there is some evidence that there may be primary gold in the IPL licence areas. This is largely hearsay, but the presence of sulphidic bands in the BIF core that has been drilled supports this story at least in part.

There are three geological maps that were published before the Fugro airborne survey was carried out, and these all present a very similar picture. The latest of these maps – basically a re-compilation of the pre-existing BRGM data, was produced by the British geological Survey (“BGS”) and the United State Geological Survey (USGS) in conjunction with the Malagasy government in 2008, see Figure 8.1 below. It does in fact reference Henri Bésaire’s work from the middle of the last century.

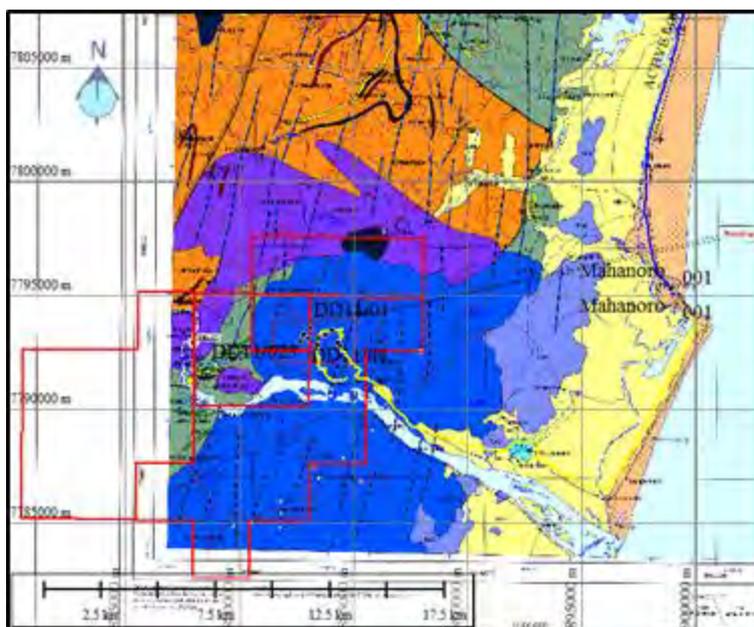


Figure 8.1: BGS/USGS Geological Map of the Mahonoro Sheet
AKO Tenements = Red Outlines

It may be seen that almost the entire area is mapped as Cretaceous basalts (the blue ornament) with no evidence of iron formation at all, or indeed, any rocks older than Cretaceous. It was apparently only after the airborne geophysical survey, that any interest was shown in the area by mining companies. This despite the fact that the local name for the hills (“ambatovy”) makes specific reference to the presence of iron!

The development, including the airborne geophysical survey, is discussed in the following Sections.

8.3 Historical Resource Estimates

No Mineral Resource statement has been produced for this project. Various review documents have noted a possible exploration target size, and these are discussed in the following sections.

8.4 Geology and Mineralisation

8.4.1 Introduction

In this and the following sections, the geology and mineralisation of the AKO iron ore permits are considered. The characteristics of each target, together with a consideration of the previous exploration/evaluation work together with that undertaken by AKO, are taken into account and a considered assessment given.

The overall tectonic setting in Madagascar was briefly described above. Obviously, the more localised settings differ considerably, and in fact are not well constrained. This is well illustrated by the mis-mapping of the Tratramarina area by the “official” surveys, and the consequent need for more definitive geological mapping in that area.

8.4.2 Geology

As noted above, the situation at Tratramarina is much less well defined partly, at least, as it has not been the subject of a detailed geological interpretation.

That the area is mis-mapped on all the published versions (see above) on a reasonable scale from the BRGM mapping through to the BGS/USGS re-compilation, is clear. Consequently, the iron ore investigations effectively started from scratch.

Some of the more regional work does offer some assistance, see Figure 8.2 below. The paper by Tucker et al (2014), shows, with some conviction, that in fact the Tratramarina licences fall quite clearly in the Archean stratified rocks of the Vohilava/Nosivolo Groups, the age of which is well-constrained by the intrusive Neoproterozoic granitoids, and both groups are presumed to have been deposited between 2.532 Ga and 2.500 Ga.

These stratified rocks are varied in lithology and composition and include typical volcano-sedimentary, Archean assemblages (?greenstone belts) such as mafic schist and gneiss, aluminous quartzofeldspathic gneiss, talc-schist and importantly, banded iron formation.

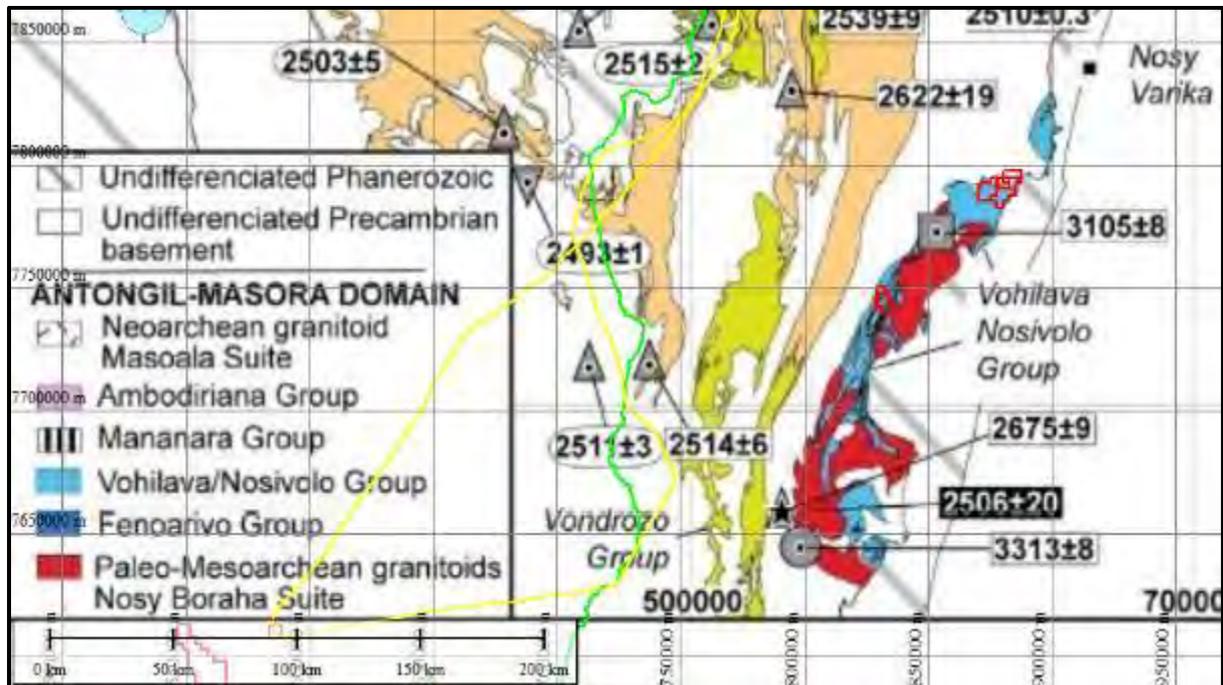


Figure 8.2: U–Pb Zircon Ages from the Archean Shield of Madagascar
 Note the Position of the Tratramarina and Ambodilafa Tenements (Red Outlines)

WAI Comment: While the more regional work discussed above does not materially assist with the detailed geology, it does give some comfort that the iron ore occurrence makes good geological sense, and that also, being firmly placed in the Archean, that **the iron ore is most likely to be a magnetite body.**

This is of course confirmed by the work carried out by AKO and its predecessors (see section 7 below) and also by the results of the World Bank-funded airborne regional geophysical survey carried out by Fugro in 2004 - 2006. The resulting maps, while useful in defining broad targets, are not optimal as the flight lines were widely-spaced (500m) and flown parallel to the general strike of the (poorly exposed) Archean meta-sediments, including the banded iron formation.

The coarseness of this survey is apparent on Figure 8.3 below, and the flight line direction makes this data particularly difficult to interpret.

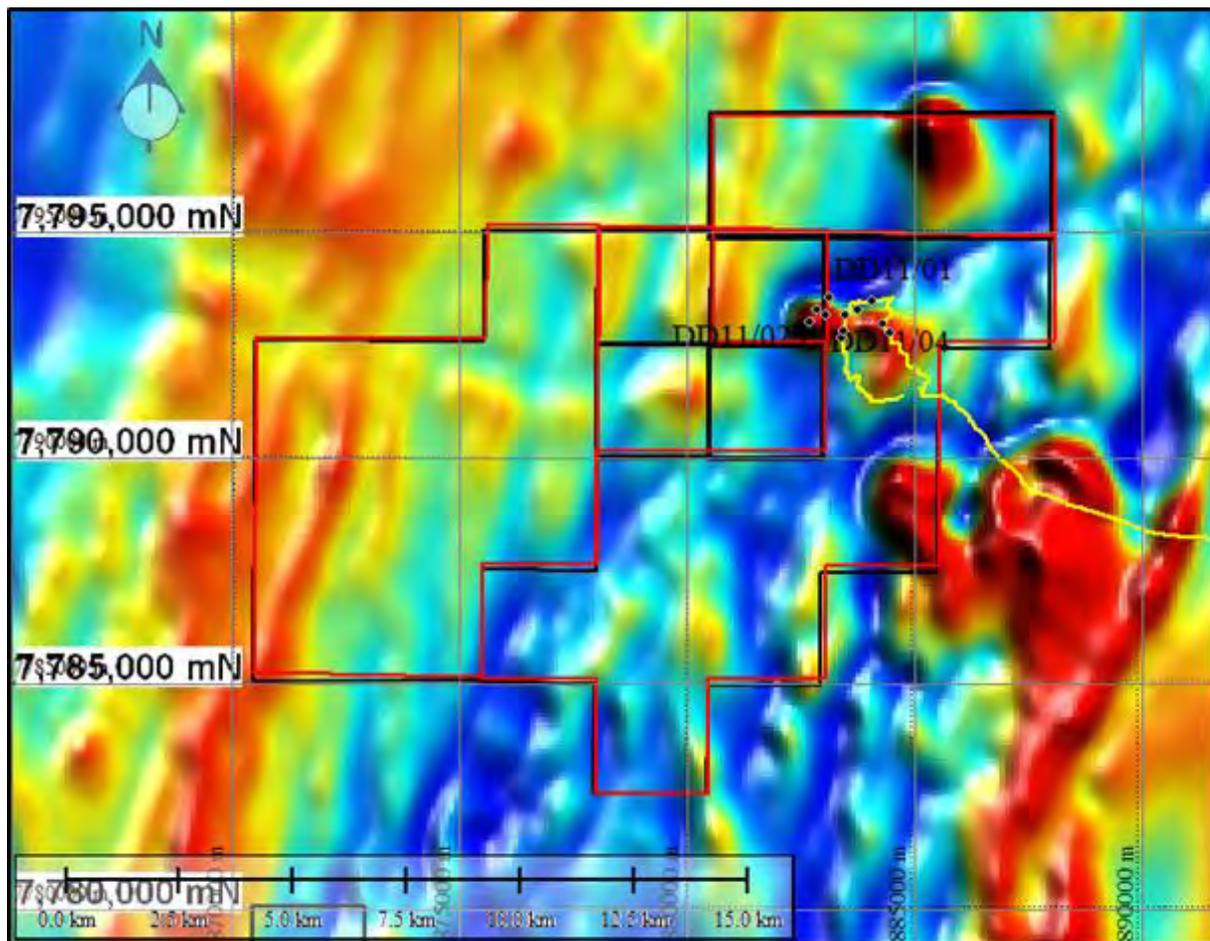


Figure 8.3: TMI (Reduced to the Pole) Magnetic Data for the Tratramarina Tenements

As opposed to Bekisopa, where there is one large, reasonably well-defined target, there are multiple magnetic anomalies at Tratramarina which may well host iron mineralisation. As noted above, the flight line direction and spacing of the regional airborne magnetic surveys flown in 2004 to 2006 was less than optimal. Nevertheless, it did allow for the recognition of the area as prospective for iron ore.

The overall situation is shown in Figure 8.4 below:

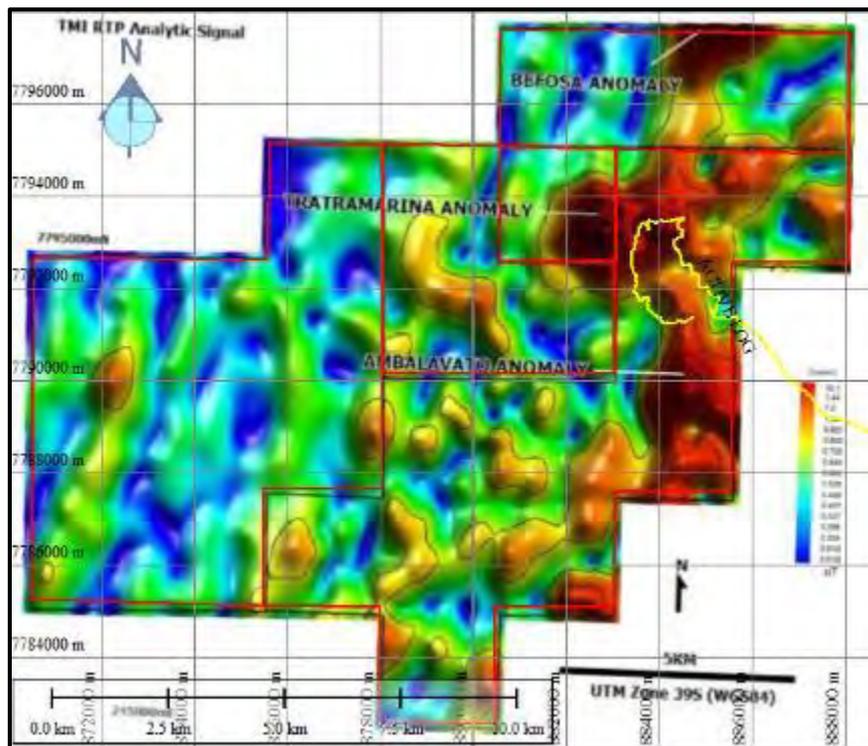
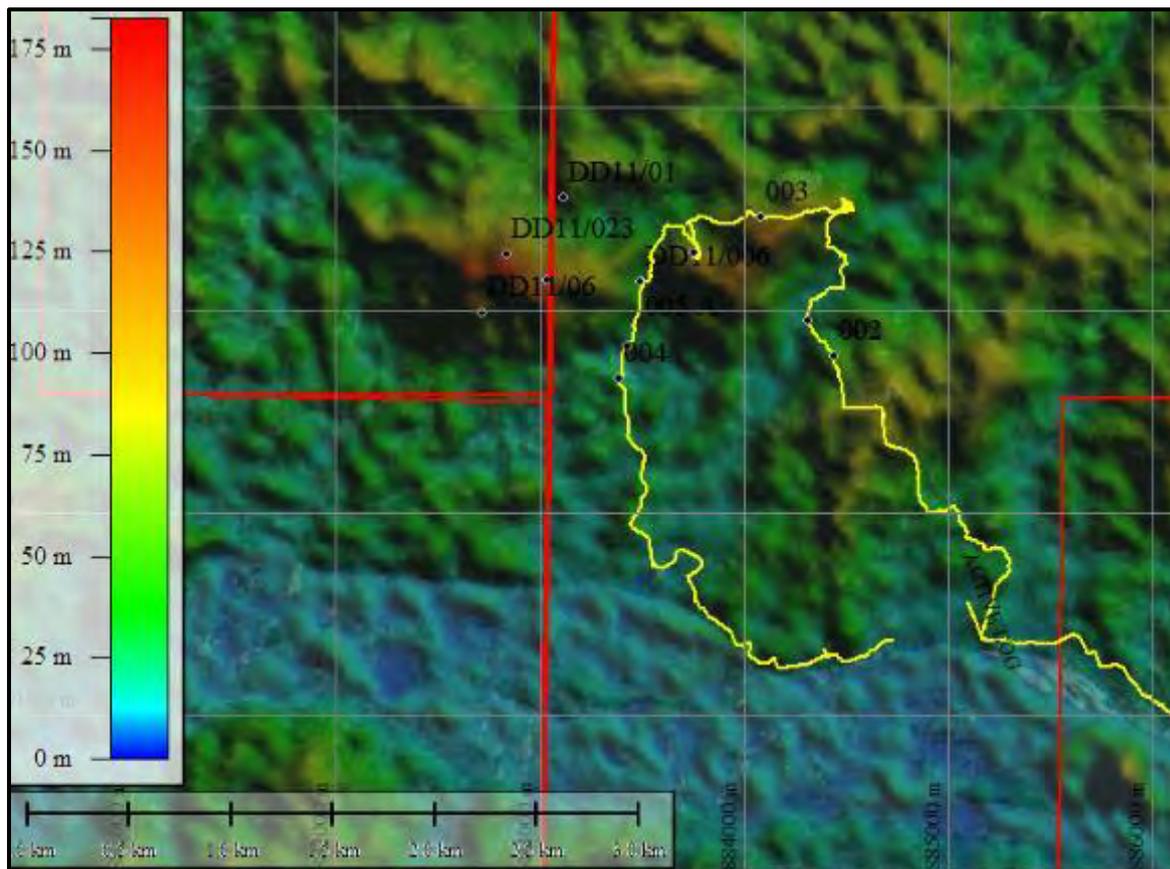


Figure 8.4: Magnetic Image of the Tratramarina Tenements with Targets Indicated

It may be seen that the three major, magnetic anomalies, Befosa, Tratramarina and Ambalavato are all within the area under the control of AKO. The track of the 2017 site visit (shown in yellow) on Figure 8.5, shows that only the Tratramarina anomaly was inspected, as this anomaly has formed the focus of AKO 's exploration/evaluation work in the area.

The topographic and geological situation at the Tratramarina target is more complex than that at Bekisopa. At Tratramarina, there are a number of hills that are made up of the more resistant magnetite BIF, but the structural "connection" between these outcrops is far from clear. This is indicated in Figure 8.5 below.



**Figure 8.5: Topographic Image of the Tratramarina Target
Showing the Series of Hills that Form the Main Target**

The site visit managed to include the eastern portion of the target where some of the boreholes drilled by AKO are situated. Given the relatively modest height (up to ~170amsl) the hills are surprisingly rugged see Photo 8.1 below, and that, combined with the dense secondary vegetation and banana cultivation makes progress on foot somewhat problematic.

This could of course be easily rectified should a major exploration programme be undertaken. Indeed, the boreholes were drilled using a “man-portable” drill rig indicating that this is the case.



Photo 8.1: The Hills of the Tratramarina Area

As noted above, the available geological maps of the area are extremely unreliable and show the area as being underlain by Cretaceous volcanics with no older rocks being indicated.

AKO has undertaken the mapping work in order to provide the basis for their on-going exploration of the area. This has not been without difficulties, see Photo 8.2 below:



Photo 8.2: Geological Mapping at Tratramarina

While outcrop is fairly common throughout the area, it is by no means continuous and “joining up the dots” is no easy task.

WAI Comment: *The work undertaken by AKO to date has been commendable, though the task is by no means complete, and considerable more work will be required before there is real definition of the geology and mineralisation potential.*

However, one thing is clear, the mineralisation at Tratramarina is a magnetite banded iron formation and while, from the available evidence, there is some degree of oxidation to hematite /specularite and other oxidation products, the main target must be considered to be the magnetite BIF.

8.4.3 Exploration

Similar to the approach taken at Bekisopa, this section is not written in strict chronological order, but rather describes the work undertaken by AKO in a progressive, activity-based manner.

8.4.3.1 Initial stages

It is believed that the iron ore - while known to the local inhabitants for many years, became known to the “outside world” through the airborne geological survey carried out in 2004 – 2006 by Fugro.

This is indicated in the “Summary of Previous Exploration” Table 8.1 below, included in an internal AKO report (Slarttery, 2012) which details the work done by various companies and consultants through the years 2006 and 2012.

Table 8.1: Summary of Previous Exploration			
Date	Exploration work	Conducted by	For
1958	Regional Geological Mapping of 1/100,000 scale	Oliver Dottin	Madagascar Government
2006	Regional Airborne Survey of T49	FUGRO	Madagascar Government
2005	Quick assessment of PRE:8891 & PRE 18379 (Traatra West)	Ravelonjoma et al.	Mr Joseph Rakotoarisoa and Mr Gaubert
2006	Regional Geological Mapping in 1/100,000 scale	BGS and USGS geologists	Madagascar Government
2007	Tratra West Reconnaissance	Roger Villanueva	ASIANA EXPLORATION
2009	Rock Chip Sampling at Tratra East	Thierry Andriamahaja	NGM
2010	Tratra East Reconnaissance	Dr Geoffrey Loftus-Hills	NGM Resources
2010	Tratra East & West Reconnaissance	Chris Robinson (Hematite Consultants)	NGM and AKO Resources
2010	Tratra West Mapping and Rock Chip Sampling	Santa Randnamananjarara & Fidel Rasangarivony	Sinbad Resources
2010	Quick assessment of Tratra West (PRE 18379)	Rudy Vooy (Ravex Ltd)	Sinbad Resources
2011	Summary Report on Tratra East	Paladin Energy Ltd	Paladin
2011	Geological Mapping and Rock Chip Sampling	UEM geologists	AKORA Resources
2011 - 2012	Initial Diamond Drilling Campaign at both Tratra West and East	Tugela/UEM	UEM/AKO

Reading through all these reports, it becomes clear that they are nearly all “reviews” with very little actual field work being undertaken. They are useful as indicators of the potential as viewed by the various parties, but as sources of hard data they are somewhat lacking.

Nevertheless, it is possible to glean some information from these papers (and other references provided by AKO) and, combined with the more substantial, recent work carried out by AKO, it is possible to obtain at least a coherent “snapshot” of the current status of the project.

8.4.3.2 Geophysics

In broad terms, it has been successfully shown that:

- There are three magnetic anomalies present on the ground controlled by AKO;
- The magnetic anomalies are poorly defined despite various attempts to “improve” their status, as the flight line direction was east-west, roughly the strike of the iron-rich horizons, and they were not spaced optimally at 500m. These attempts to “improve” the anomalies cannot hope to be successful due to these factors; and

- Despite these issues, the magnetic anomalies do broadly locate the iron-rich bodies in an area previously mapped as much younger mafic rocks – micro-gabbros, dolerites and basalts of Cretaceous age.

While there are various treatments of the airborne geophysical data that have been carried out, as noted above, none of these materially advance the status of the anomalies or the knowledge of the geology causing them.

Certain structural data have proved more or less useful, but overall there is no real advance in knowledge.

A more detailed survey with an optimal flight line direction would undoubtedly be of value in enhancing this project. It is also possible that consideration of the available radiometric data may prove useful, but the quantity of vegetation may attenuate the radiometric signal.

8.4.3.3 Geological Mapping

The detailed geology of the area is problematic, not least because the outcrop is poor and the vegetation cover is also a limiting factor. However, AKO has arrived at certain conclusions which were broadly confirmed during the 2017 site visit:

- The iron-rich horizon(s) have been shown to be part of a much older (?Archean) volcano-sedimentary package:
 - A meta-sediment unit comprised of quartzite \pm magnetite/hematite and a variety of gneisses and schists. This unit is strongly folded, faulted, fractured and intruded by a younger intrusive unit which consists of ultra-mafic, mafic and intermediate volcanic rocks;
- The disposition of these units is not yet well-defined, but further, concentrated mapping will hopefully allow for the construction of a more definitive geological map of the area;
- The meta-sedimentary unit is obviously the main interest in the area, including, as it does, the BIFs of economic interest. AKO has developed some fairly complex interpretations and models of the geology of the Tratramarina area, and while this is a laudable effort, WAI considers that this is stretching the available data rather too much. Further mapping will undoubtedly assist, as will more drilling than has been carried out to date;
- However, it is possible to state that while there appear to be multiple BIF horizons, this could in fact be a manifestation of the litho-structural complexity of the region. Further work will assist in the elucidation of this complexity; and
- Much of the research work carried out by AKO and its predecessors has, in the opinion of WAI, been somewhat too “academic” for this stage of exploration. The petrology and “petrophysical” studies are cases in point. However, they will undoubtedly be of

use further down the line once a mineable resource is outlined as a valid exploration target.

As a result of the geological mapping, rock chip sampling, and the geophysics, a geological map has been produced (see Figure 8.6 below).

From this map, it is possible to see that the current “best guess” for the potential of the favourable geology, the volcano-sedimentary package, is that the **strike length is of the order of 2.5km and the width on surface is approximately 1km.**

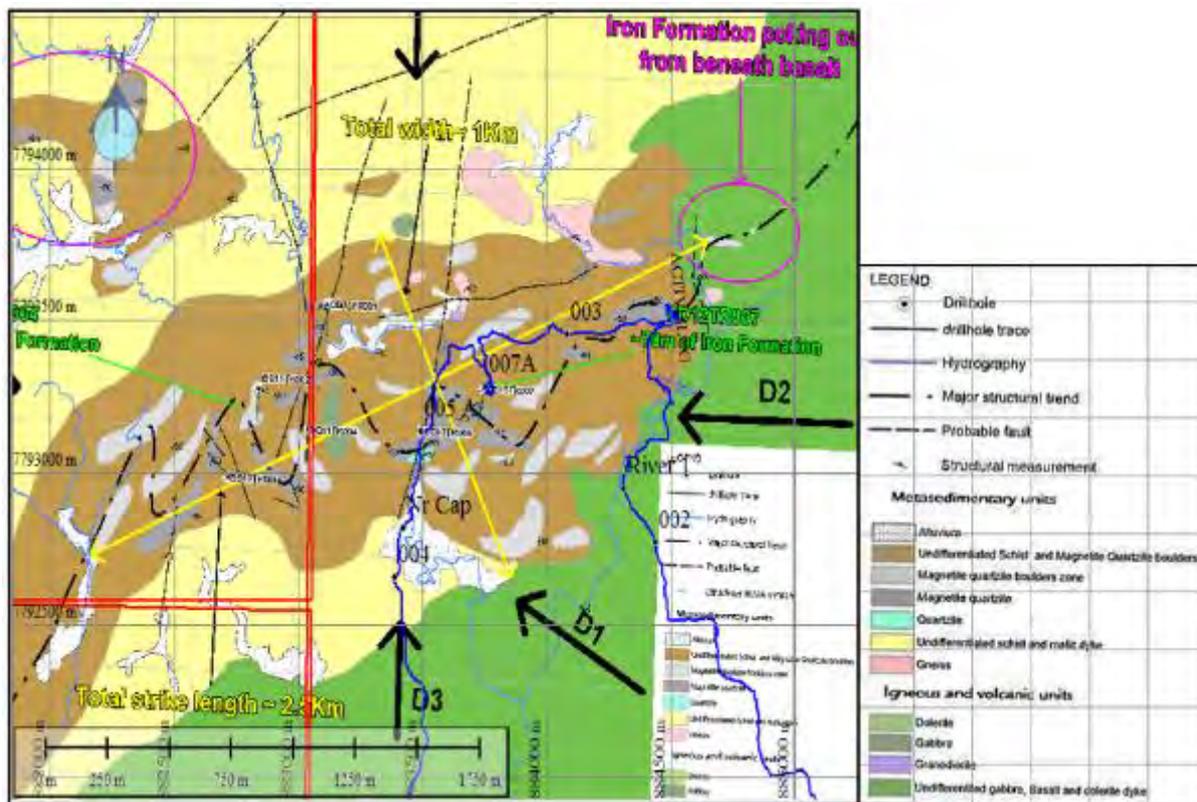


Figure 8.6: Geological Map of the Tratramarina Area

Within that package there are (possibly) multiple lenses of magnetite BIF which form the basis of the exploration effort at Tratramarina. These lenses often crop out, and form prominent cliffs and bluffs, and when crossing streams, form marked nick points, see Photo 8.3 below.



Photo 8.3: Outcropping Magnetite BIF

Some of the outcrops show the structural complexity very well, see Photo 8.4 below.



Photo 8.4: Complex Folding in a Magnetite BIF

WAI Comment: During the site visit, a traverse was made (see Figure 8.6 and Figure 8.7, blue track) which went from prominent outcrops of the younger, mafic rocks, as previously mapped

on to the (?)Archean volcano-sedimentary sequence hosting the BIF. Consequently, it was possible for WAI to observe and confirm the significant geology.

8.4.3.4 Sampling and Drilling

The activities previously described were followed up by a rock chip sampling programme and the drilling of seven diamond drill holes.

Rock Chip Sampling

Three surface rock chip sampling campaigns were carried out in the Tratramarina project areas in 2009, 2010 and 2011, with the main objective being to gain an idea of the iron grades and other impurities of the iron bearing rocks at surface.

In this aim, it may be regarded as being successful as the summary Table 8.2 below shows:

Campaign Date	Conducted by	Prospect	Total Sample	%Fe	%SiO ₂	%Al ₂ O ₃	%P	%S	%LOI
2009	UEM	TRE	40	42.4	37.7	0.28	0.4	0.2	1.15
2010	AKO /SINBAD	TRW	20	36.5*	ni	ni	ni	ni	Ni
2011	AKO /UEM	TRW &TRE	240	41.18	39.61	0.4	0.04	0.02	1.02
Cumulative - Total			305	40.05	38.66	0.34	0.22	0.11	1.09

*** Hand Held XRF result**

During these campaigns, outcrop and sub-crop samples were taken using a geological hammer and chisel. How selective the samples were is not known, but the results certainly give an indication of the overall iron values.

Diamond Drilling

In 2011/2012, a seven-hole drilling program was carried out with five holes drilled at Tratramarina West, and two holes at Tratramarina East for a total of 1,360m. The sites for these boreholes are indicated on Figure 8.6 above and Figure 8.7 below. The two Tratramarina East borehole sites were visited and verified during the 2017 site visit.

The diamond drilling was carried out under difficult (weather) conditions and some sites had to be moved at the last minute. Given these conditions, the programme may be considered to have been successful. The drill logs are very detailed, almost too much so, but very useful summary sections of each hole have been produced. The core was also logged for magnetic susceptibility, and this is a very useful additional tool in characterising the near-surface, weathered (hematitic) iron formation.

The fresh, magnetite BIF showed consistently high magnetic susceptibility, see sections of boreholes below (Figure 8.8 and Figure 8.9 below).

It should be noted that AKO commissioned a detailed review of the Tratramarina project, including the drilling from Burgundy Mining Advisors, and this contains useful information and many graphical representations of the drill data.

WAI's opinion is compatible with Burgundy's key findings which are given below:

- Hole orientation was not ideal with at least one hole probably being drilled sub-parallel to stratigraphy and therefore giving rise to a wider mineralised intersection than might have been expected;
- There is some evidence of surface enriched, potentially hematitic mineralisation in some holes, and near-surface weathering effects leading to higher Fe and lower silica grades near surface. There is likely to be poor metallurgical recovery in these surface zones etc zones (from the Davis Tube results), not unexpected in this type of material; and
- Mineralised zones appear to be fairly narrow and separated by wide zones of interbedded mineralisation and waste, with true thickness hard to interpret from the drilling orientation.

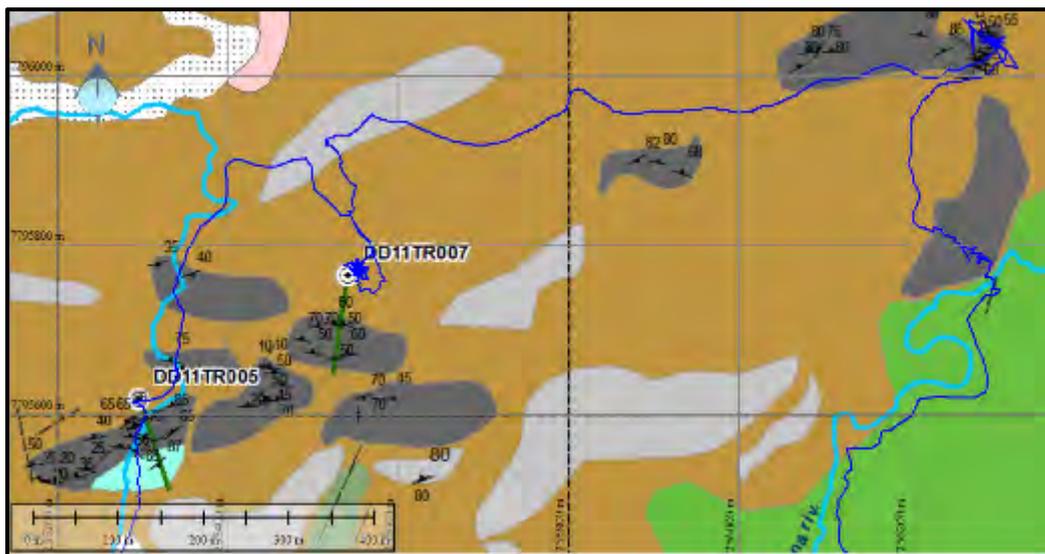
A more detailed view of the borehole sites (see Figure 8.7 below) illustrates some of the critical points. Most notably, the mapping to date has not been detailed enough to allow for the optimal siting of the drill holes.

It is expected that the mapping will need to be an iterative process utilising the drilling results projected to surface, plus more detailed mapping along closely spaced traverse lines in order to locate and map any outcrop that is present.

Given the known, prominent outcrops of the magnetite BIF in the area, it may well be that the areas with poor outcrop, are indicating other, non-ore lithotypes.

It may be seen from Figure 8.7 that the boreholes DD12007 and DD12005 tested two of the interpreted lenses of BIF in the Tratramarina East area. They were drilled at an angle -60° to the south (195°) to intersect the BIF at depth. The sections (Figure 8.8 to Figure 8.9) show the summary logs of these two holes.

All the points discussed above are well illustrated in the detailed logs of the boreholes and also from the summary sections which show these points graphically, and these two boreholes were visited during the site visit by WAI.



**Figure 8.7: Detail of Tratarmarina East with Borehole Sites Shown
DD11TR007 and DD11TR005 Shown – Details in Text**

Obviously, it would be advantageous if the mineralised lens(es) tested by the two bore holes were found to join up, with further drilling required, to the major ore lens to the east-northeast of DD11TR007. The blue track of the site visit followed a path that could be utilised as both access the bases of future drilling platforms.

WAI Comment: Thus, potentially, this theoretical larger lens could form the basis of a reasonably-sized mineralised body:

- Strike length – 1,200m;
- Thickness (from sections), $\pm 80\text{m}$;
- To depth of, $\pm 150\text{m}$; and
- Density, $3.5\text{g}/\text{cm}^3$.

While this is not direct shipping ore, at around 35%Fe grade, this ore body lends itself to upgrading particularly as it is magnetite, and the preliminary Davis Tube test work does indicate adequate recoveries and concentration of the magnetite. This is obviously highly theoretical and no more than “blue sky” at this point, but it does perhaps give an indication of the potential of Tratarmarina East. The implications of this are discussed later in the report.

However, the marked difference in the geology and the iron values in the two boreholes illustrated, indicates that considerably more work is required to elucidate the geology/mineralisation at Tratarmarina East.

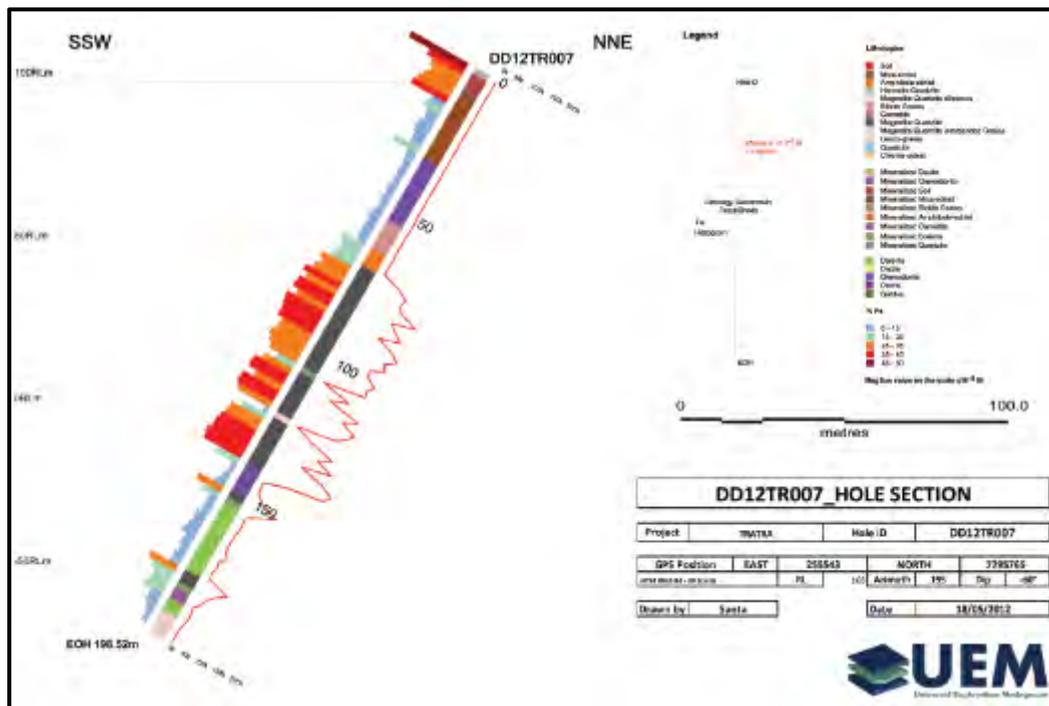


Figure 8.8: Section Through DD12007 Showing

- Lithotypes
- Fe values (graphical)
- Magnetic susceptibility readings

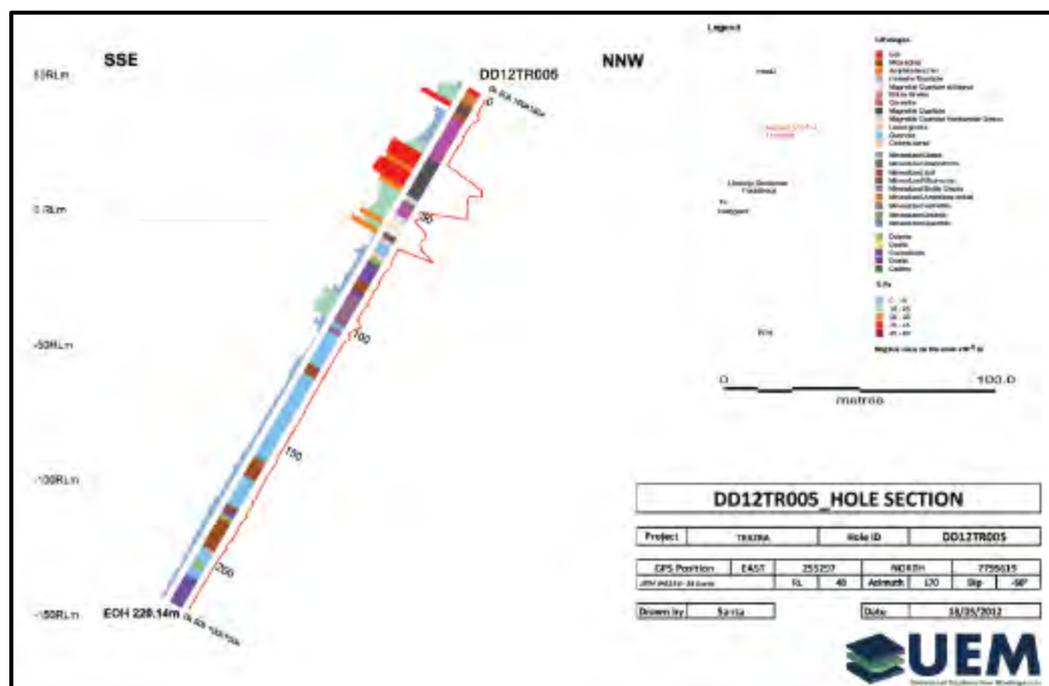


Figure 8.9: Section Through DD12005

The other critical factor is the possible presence of hematitic direct shipping ore (“DSO”) grade material. While there is a degree of oxidation of the primary, magnetite ore in the near-surface environment, it is clear that there is not a large tonnage of this material available. It may be possible

to define a relatively small amount of DSO, but in WAI's opinion, the main target remains the magnetite BIF which will require up-grading prior to shipping.

It is only really DD12004 in the Tratramarina West area that shows any significant thickness of hematitisation in the near-surface environment, see Figure 8.10 and Photo 8.5 below:

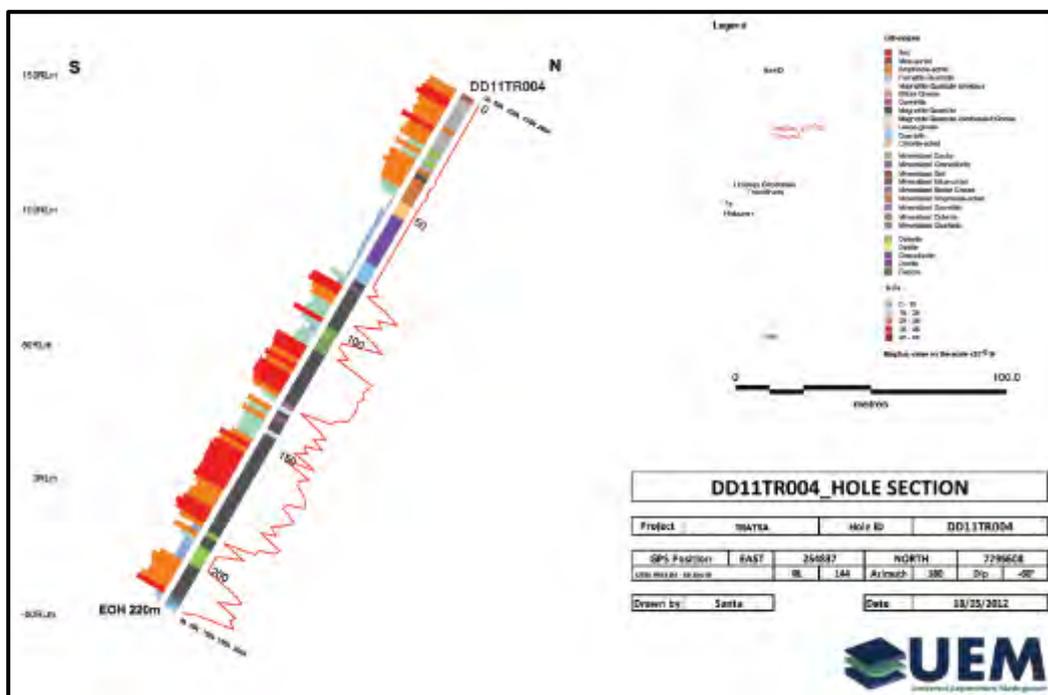


Figure 8.10: DD12004 Showing Hematite Development near Surface



Photo 8.5: Hematitic Material in DD12004

Overall, it is not possible to be definitive about the average grade for the Tratramarina project as a whole, with the following Figure 8.11 giving an indication of the variability of the grade between boreholes.

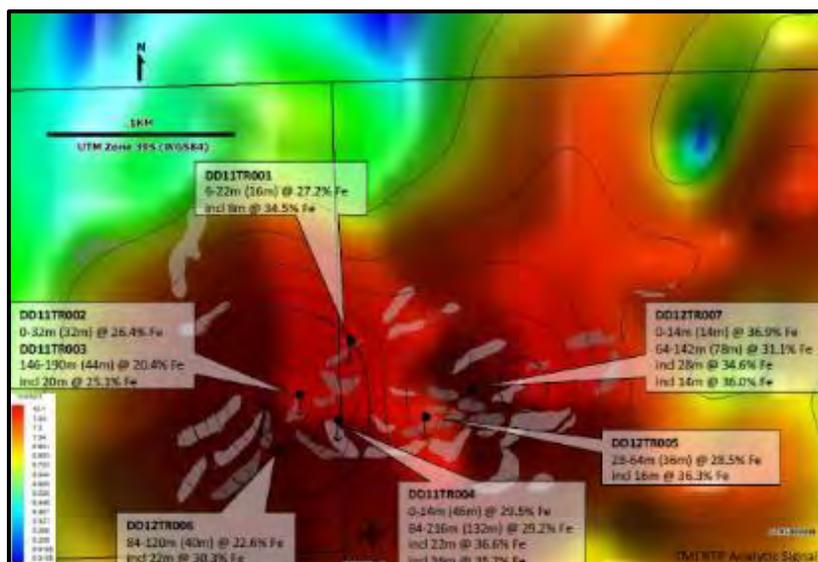


Figure 8.11: Indication of the variability of Fe grade between the boreholes.

8.4.4 Summary

In brief, AKO has shown the presence of potentially, economically significant magnetite iron ore at Tratramarina and some tonnage of DSO at surface. The grade is as yet, still not known with any degree of certainty, and the tonnage remains to be defined, however, it may be considered an exploration target that merits further work.

An interesting structural concept that remains to be tested lies in the possibility that there are two, or possibly structurally repeated, “favourable horizons” at Tratramarina, this is illustrated as a conceptual model only in Figure 8.12 below.

This model can probably easily be tested if an airborne geophysical survey is flown. The various treatments of magnetic data will show quite rapidly if this is feasible or not. Bearing this model in mind during the on-going geological mapping may prove interesting and if proven to be true, would affect the drill pattern, and spacing, and the subsequent modelling and tonnage calculations.

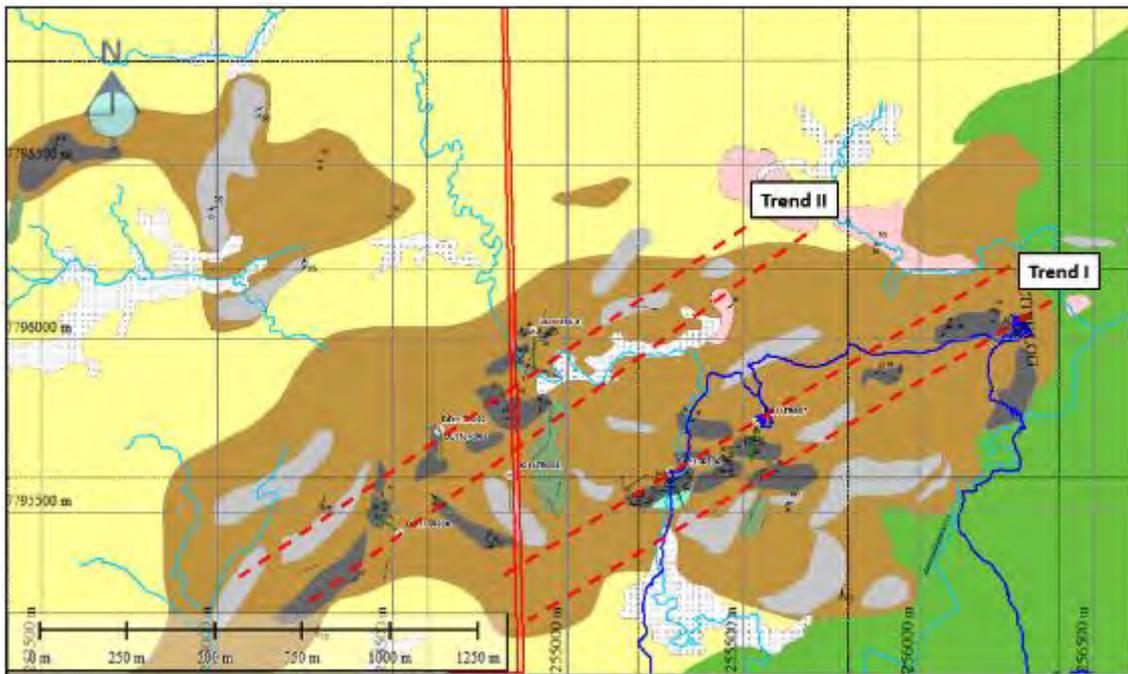


Figure 8.12: Possible Structural Interpretation of Two Mineralised Trends at Tratramarina

Table 8.3 below summaries the work completed to date.

Company	Period	Work undertaken	Key findings
Fugro	2004 - 2006	World bank funded airborne magnetic and radiometric survey with 500m line spacing.	Identified multiple magnetic anomalies that could host iron mineralisation.
Various	2006 - 2012	Reviews with limited field work.	Supported the presence of magnetite iron mineralisation
AKO	2012 - 2014	Interpretation of geophysical survey, geological mapping, rock chip sampling (305 samples) and seven diamond drill holes for 1,360m.	<p>The iron rich horizons are magnetite banded iron formations in an ?Archaen volcano-sedimentary package with a 2.5km strike length and 1km width at surface.</p> <p>Rock chip samples of outcrop and sub crop averaged 40% Fe, 38.7% SiO₂, 0.34% Al₂O₃ and 0.22% P.</p> <p>The seven diamond drill holes that tested outcropping magnetite BIF at depth intersected significant mineralisation (see Table 8.4 below). However, the geology is complex and some of the drill intersections may not represent the true thicknesses.</p>
Wardell Armstrong International	2017	Reviewed the previous work, undertook a site visit and compiled this Independent Geologists Report.	<p>AKO has shown the presence of potentially, economically significant magnetite iron ore at Tratramarina. The grade is as yet, not known with any degree of certainty and the tonnage remains to be defined. However, it may be considered an exploration target that merits further work.</p> <p>A structural concept that remains to be tested lies in the possibility that there are two – or possibly structurally repeated – “favourable horizons” at Tratramarina. This model can probably easily be tested with an airborne geophysical survey and drill programme.</p>

Table 8.4 below summaries the mineralised intercepts.

Hole No	From (m)	To (m)	Width (m)	Grade (% Fe)	High grade intervals included
DD11TR001	6	22	16	27.2	11m @ 34.5% Fe
DD11TR002	0	32	32	26.4	
DD11TR003	146	190	44	20.4	20m @ 25.1% Fe
DD11TR004	0	16	16	29.5	
DD11TR004	64	196	132	29.9	22m @ 36.6% Fe and 35m @ 35.7% Fe
DD11TR005	29	64	35	28.5	16m @ 36.3% Fe
DD11TR006	80	120	40	22.6	22m @ 30.3% Fe
DD11TR007	0	14	14	36.9	
DD11TR007	64	142	78	31.1	28m @ 34.6%Fe and 14m @ 36.0%Fe

9 AMBODILAFA

9.1 Recent Works 2019

No works have been completed; hence this section remains unchanged.

9.2 Historical Exploration

The definition of the Ambodilafa licences as iron ore prospects is not fully known. However, the area started life (as it were) as a Ni-Cu-PGM prospect after BRGM first discovered the mineralisation in 1964 during an electromagnetic survey, that followed-up on Cu-Ni alluvial geochemical anomalies identified during the previous year.

BRGM then drilled a number of boreholes in the 1970s and reported a 93m intersection with disseminated sulphides averaging 1% Cu equivalent. They followed this up with 28 more boreholes in 1968 - 69 with mixed, but generally poor results.

The prospect was later intensively explored by MRM/Jubilee Platinum PLC from 2004 until 2008, with Impala Platinum having a joint venture option agreement with Jubilee to earn a 51% interest in the project. Again, results were mixed at best, with some deep intersections (>400m) being obtained.

***WAI Comment:** It is here recorded that WAI's CP for this report assessed the platinum prospect for another client in 2012.*

However, during the exploration work by MRM/Jubilee, a helicopter-borne magnetic survey was flown on 100m spaced, northwest-southeast lines, and this revealed a strong, north-south trending magnetic anomaly that appeared to reflect the presence of iron ore.

This large magnetic anomaly is in the north of the Ambodilafa area, with a north-south trending strike length of approximately 5km, ranging from 100m to 400m wide, and extending to a modelled depth of more than 500m below surface.

In addition, the unexplored 2km long Western Limb can be clearly seen in the northern portion of the prospect.

9.3 Historical Resource Estimates

No Mineral Resource statement has been produced for this project. Various review documents have noted a possible exploration target size, and these are discussed in the following sections.

9.4 Geology and Mineralisation

9.4.1 Introduction

In this and the following sections, the geology and mineralisation on the AKO iron ore permits are considered. The characteristics of each target, together with a consideration of the previous exploration/evaluation work together with that undertaken by AKO, are taken into account and a considered assessment given.

9.4.2 Geology

Many of the comments pertaining to Tratramarina also apply to the Ambodilafa prospect, in that the north-trending linear magnetic anomaly is shown up by the survey flown by the previous licence-holder.

WAI Comment: This almost certainly represents a magnetite BIF. Figure 9.1 shows this well and is discussed below.

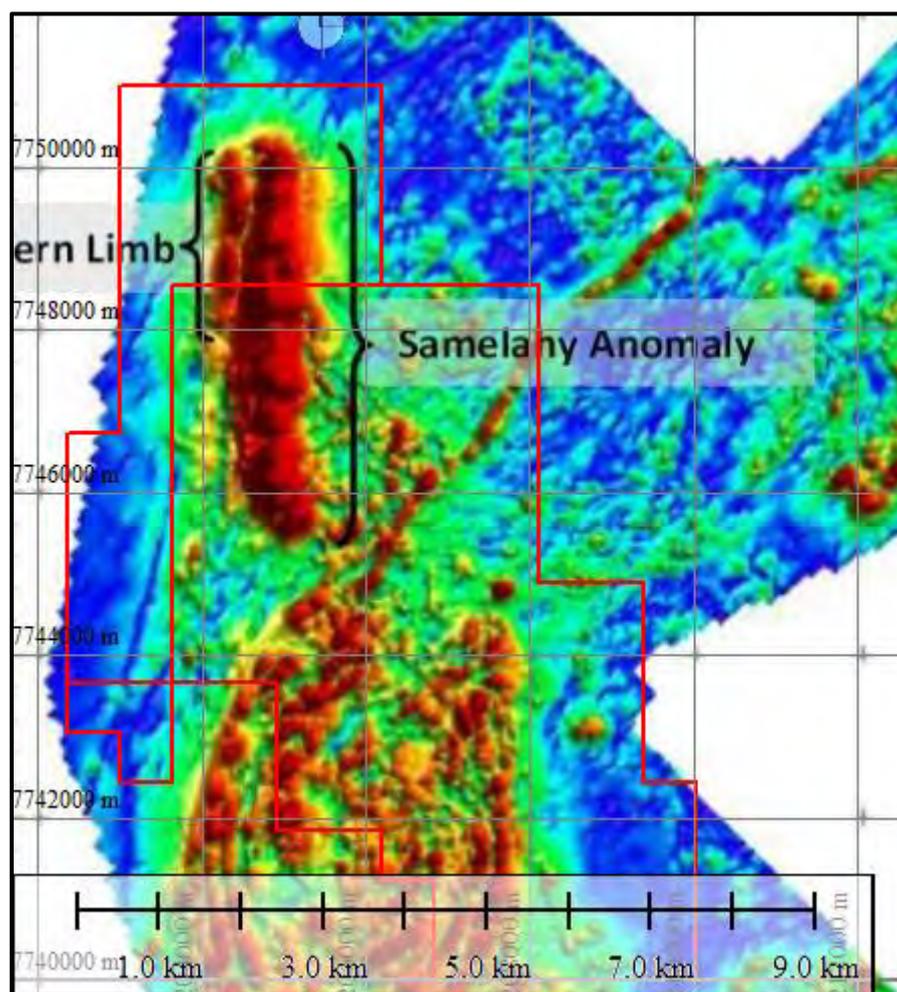
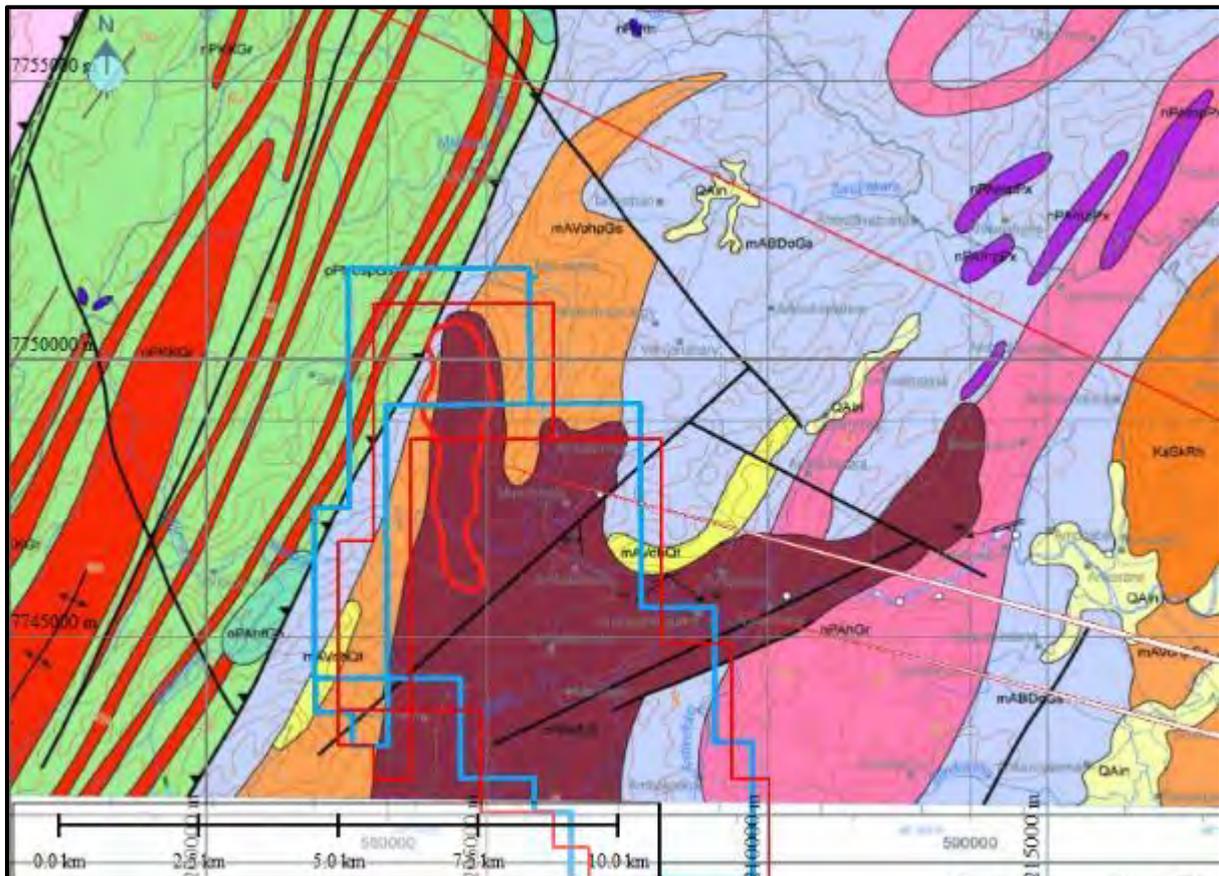


Figure 9.1: Magnetic Anomaly over the Ambodilafa Tenement

However, in a situation analogous to that at Tratramarina, it appears that the Ambodilafa area has been mis-mapped in all the “official” surveys. The most recent map, produced by the BGS/USGS joint venture shows the northerly trending magnetic anomaly of the Ambodilafa area (see Figure 9.1 above) as a limb of the layered Mafic-Ultramafic Vohipaha Complex.

While this is partly the case, the later AKO work shows it to be rather more complex with a sedimentary package forming an important part of the litho-stratigraphic complex with layers of magnetite BIF included, see Figure 9.2 below.



**Figure 9.2: Extract from the BGS/USGS Geological Map of the Ambodilafa Area.
Vohipaha Complex in dark purple**

In 2017, WAI was not able to undertake a site visit to the Ambodilafa project as the logistics for such a visit proved impossible in the time available. Consequently, while WAI has been able to review the available data, no definitive opinion as to its prospectivity is presented.

Most of the data reviewed is original AKO generated data, but a portion of it is taken from the excellent report by Burgundy Mining Advisors.

WAI Comment: *In terms of any potential conflicts of interest, the WAI Geologist had some prior knowledge of the Ambodilafa area through a “desk top study” of the Jubilee Platinum licences for a private client in 2012. However, that work did not consider the iron ore*

prospectivity in any detail but was concerned with the Cu-Ni-PGE mineralisation to the south of the iron ore ridge.

The Samelahy iron ore prospect is characterised by a large magnetic anomaly in the north of the Ambodilafa area with a north-south trending strike length of approximately 5km, ranging from 100 metres to 400m wide and interpreted as extending to a depth of more than 500m below surface.

In addition, the unexplored Western Limb can be clearly seen over 2km of strike in the northern portion of the prospect.

The topographic and geological situation at the Samelahy target appears to be more akin to the relatively simple physiographic setting pertaining at Bekisopa, than the more complex situation at Tratramarina. The physiographic setting was described above, where it was noted that the iron-rich rocks form an elongate ridge.

9.4.3 Exploration

Similarly to the approach taken at Bekisopa and Tratramarina, this section is not written in strict chronological order, but rather describes the work undertaken by AKO in a progressive, activity-based manner.

9.4.3.1 Geophysics

The basic geophysical situation has already been described (see above). In this particular case, further refinements were possible because a much more detailed survey had been carried out by Jubilee Platinum.

A helicopter-borne magnetic survey was flown on 100m spaced northwest-southeast lines in 2008. Various treatments of these data were carried out by a consultant for AKO including further processing and 3D inversion modelling in order to assist in the siting of the boreholes. Two examples are given in Figure 9.3 below:

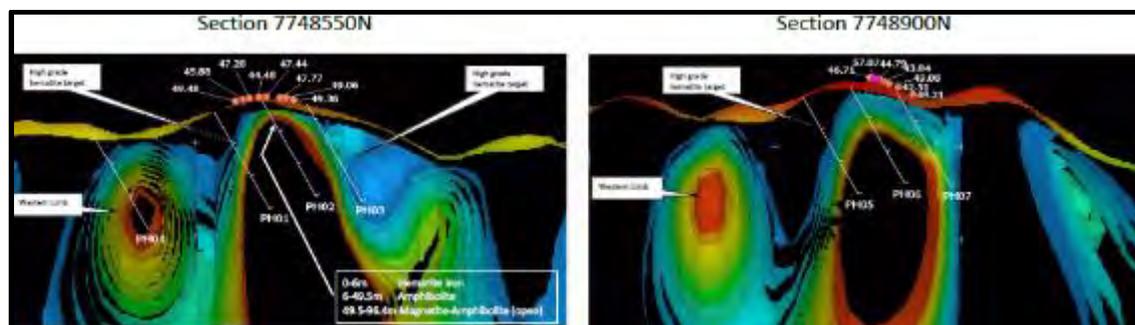


Figure 9.3: 3D Inversion Modelling at Samelahy for Siting of Drillholes

Sections such as these are available for a number of cross-section lines at Samelahy, and considerable use may be made of this technique.

9.4.3.2 Geological Mapping

Geological mapping has been carried out in some detail by AKO and has formed the plotting of the rock chip sampling and drill programmes. An integrated geological and sampling map is given as Figure 9.4 below.

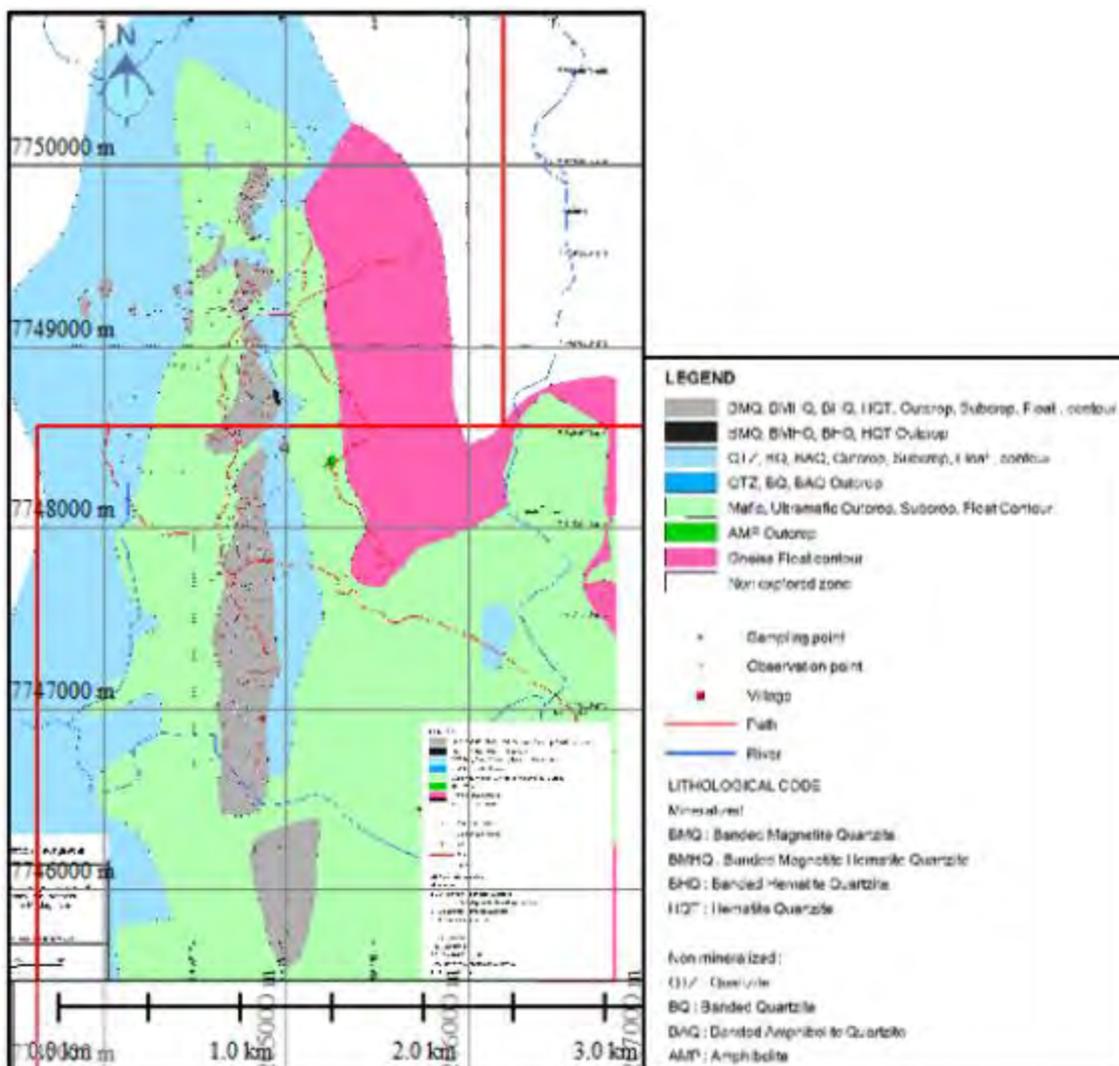


Figure 9.4: Interpreted Geological Map of the Samelahy Iron Ore Prospect

The broad, general picture of the geological setting is quite clear with the grey ornament being mapped as the favourable horizon(s) with the magnetite BIF being the target.

The setting appears to be in many ways analogous to that at Bekisopa, with distinct “lobes” of mineralised material occurring in an elongate belt. However, structural data is currently lacking and this aspect should be addressed in any future work programme.

9.4.3.3 Sampling and Drilling

The activities previously described were accompanied up by a rock chip sampling programme and the drilling of 16 diamond drill holes. The plan was for 16 holes, however, only seven (7) drill holes were completed, see Table 9.2 below.

Rock Chip Sampling

A surface rock-chip sampling programme was carried out in 2012 and a total of 421 samples were collected and analysed by a hand-held XRF instrument. As noted previously, surface sampling of iron ore deposits is somewhat fraught as only the harder, better mineralised lithotypes tend to “survive” on surface.

As a result of this, the results can sometimes be skewed in favour of the higher grades. Additionally, surface samples of iron ore deposits are rarely representative of the deeper, unweathered material.

This appears to be the case at Samelahy where the mean of the collected samples is ~44% Fe and they show much lower silica and higher aluminium values than the sub-surface drill samples (see Figure 9.5 below).

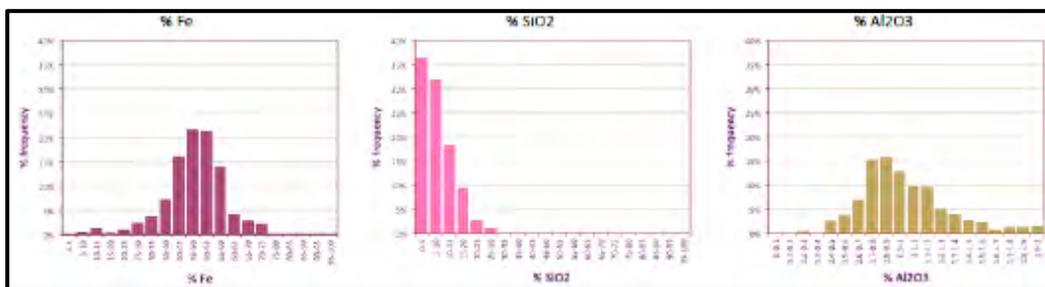


Figure 9.5: Histograms of 2012 Rock Chip Assays at Samelahy

Diamond Drilling

It appears that 7 diamond drill holes were drilled on the Samelahy prospect in 2013. The detailed results of this drill campaign are not available to WAI, but there is sufficient data available to make some preliminary comments.

The data available includes:

- A map showing the drill sites (Figure 9.6 below);
- Various sections with the geology and histograms of the Fe values down the hole;
- Sections of the boreholes were also “hung” on to the 3D inversion magnetic models; and
- Some comments on the first five holes by Burgundy Mining.

The available map indicates that the boreholes were concentrated in the central area of the magnetic anomaly at Samelahy, and that five “fences” of drill holes were completed (see Figure 9.6 below).

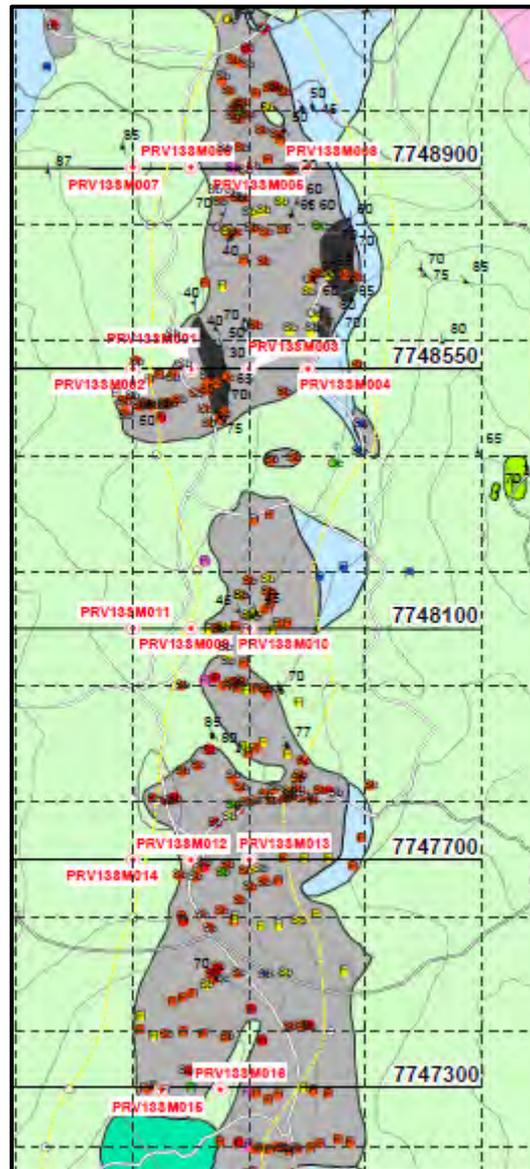


Figure 9.6: Drilling Pattern at Samelahy

The drill pattern at Samelahy would appear at first sight to possibly be dense enough to provide at least a “first pass” attempt at a resource statement. However, when the individual section lines are considered, it becomes apparent that the geology and mineralisation are somewhat more complex than the surface mapping and sampling suggested. This is a not uncommon phenomenon with BIF geology.

In this particular case, there appear to be several relatively narrow BIF horizons within a wider volcano-sedimentary package. This is largely made up of both banded and massive amphibolites which (presumably) represent a mafic volcanic sequence with some quartzites. This is well shown in the

sections provided. Figure 9.7 and Figure 9.8 below show one drill fence “hung” on to the 3D magnetic model and the geological interpretation of that drill fence section.

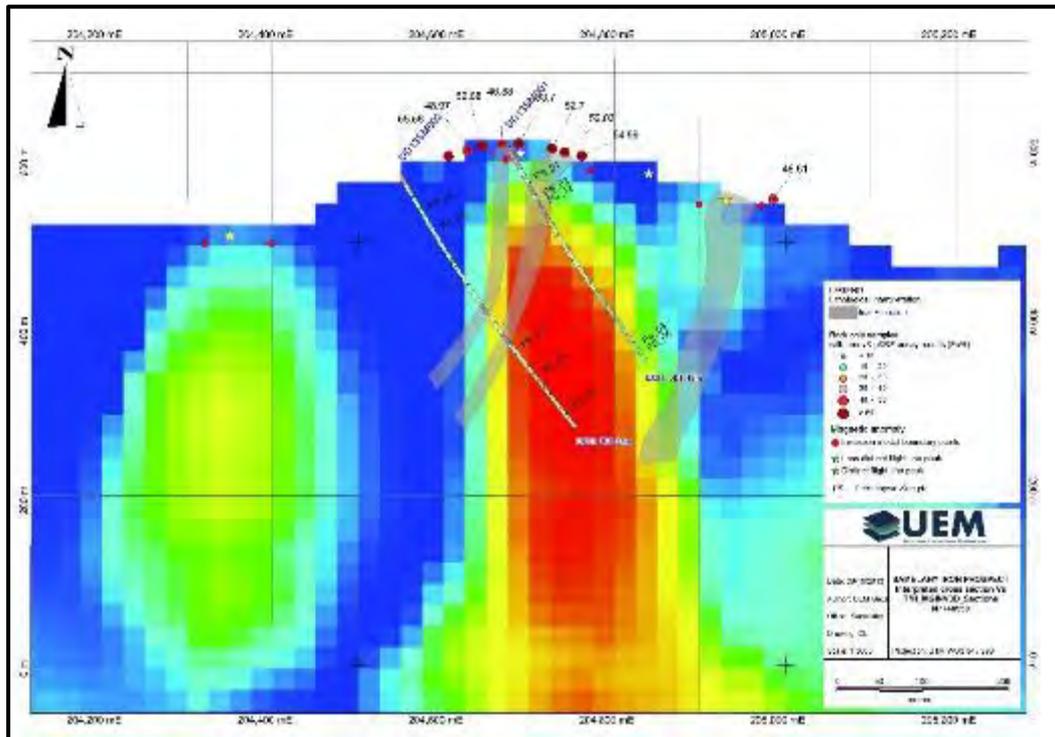


Figure 9.7: 3D Magnetic Inversion Model and Drill Section 7,748,550

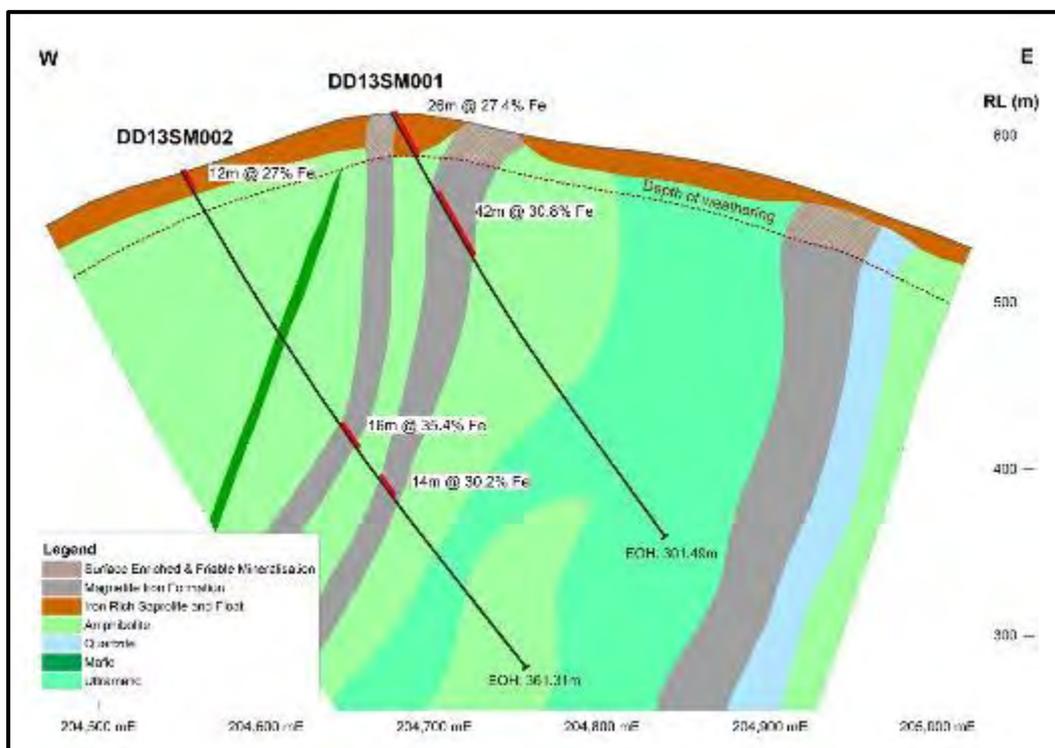


Figure 9.8: Geological Interpretation of Drill Section 7,748,550

It may be seen that while the surface expression of the mineralisation indicated a broad anomalous zone, the magnetic model indicated a somewhat narrower, but still coherent zone, while the diamond drilling showed multiple, narrow horizons of BIF. All of this combines to indicate the probable complexity of this deposit and the consequent difficulties in putting together a mineable resource.

9.4.4 Summary

It is reiterated that the notes above should not be considered to be definitive at all.

WAI has not been able to conduct a site visit to Ambodilafa and has not had sight of all the data, particularly the drilling data, but as this is a low priority project with no plans to expend further monies over the next 2 years, this is not considered as a material point.

At present the Ambodilafa prospect is considered to be an Exploration Target that merits further work.

Table 9.1 below which summaries the work completed to date and the key findings.

Company	Period	Work undertaken	Key findings
BRGM	1964 - 1969	Geochemical exploration, EM survey and drilling.	Follow up of a Cu-Ni alluvial geochemical anomalies with an EM survey resulted in the discovery of Ni-Cu-PGM mineralisation. Drilling intersected a 93m intersection with disseminated sulphides averaging 1%Cu equivalent. An additional 28 holes were drilled with mixed but generally poor results.
MRM Jubilee Platinum PLC	2004 - 2008	Intensive exploration including a heli-mag survey and deep drilling.	Drilling results did not support further base metals exploration at the time but the geophysical survey identified a 5km long 100 to 400m wide magnetic anomaly in a different area to the Fe projects.
AKO	2012 - 2014	Modelling of the heli-mag geophysical data, detailed geological mapping, rock chip sampling and drilling.	Mapping and rock chip sampling validated the 5km strike length zone with potential to host BIF horizons. The 421 rock chip samples collected along the zone and analysed with a hand held XRF instrument averaged 44% Fe. Seven (7) drill holes were completed along five sections. The drill sections are 400m apart. The holes intersected relatively narrow BIF horizons within the volcano-sedimentary package. Mineralisation intersected included 42m @ 30.8% Fe, 11m @ 35.4% Fe and 14m @ 30.2% Fe.
Wardell Armstrong International	2017	Reviewed the previous work and compiled this Independent Geologists Report.	Ambodilafa as an "Exploration Target" that merits further work.

Table 9.2: Results of Drilling

Hole No	From (m)	To (m)	Width (m)	Grade (% Fe)	High grade intervals included
DD13SM001	0	28	28	33.39	
DD13SM001	54	66	12	34.42	
DD13SM001	70	100	30	29.42	18m @ 31.10%Fe
DD13SM002	0	12	12	27.00	
DD13SM002	180	194	14	35.47	
DD13SM002	220	238	18	27.31	10m @ 32.36%Fe
DD13SM003	0	54	54	35.39	34m @ 36.09%Fe & 14m @ 36.15%Fe
DD13SM004	0	10	10	39.07	
DD13SM004	78	98	20	37.92	16m @ 39.05%Fe
DD13SM004	152	186	34	33.08	
DD13SM005	0	20	20	30.89	10m @ 36.74%Fe
DD13SM005	54	64	10	40.20	
DD13SM005	72	106	34	32.71	12m @ 33.17%Fe & 12m @ 37.18%Fe
DD13SM006	0	16	16	31.62	
DD13SM006	120	132	12	37.45	
DD13SM006	158	198	40	30.11	28m @ 33.50%Fe
DD13SM007	0	8	8	29.85	
DD13SM007	32	46	14	42.30	
DD13SM007	66	116	50	32.19	

10 DATA VERIFICATION

The data verification is split into four sections:

- Field verification;
- Sample treatment;
- Laboratory treatment; and
- Database validation.

10.1 Field Verification

As a result of the logistical issues in getting to the Bekisopa and Tratramarina project areas, very little time was spent on the actual site visits. However, it did prove possible to verify certain aspects of the AKO work, and these were all positive.

- Topographic mapping, very little has been done in the way of topographic mapping and this situation should be addressed in order to assist in the geological mapping;
- Geological mapping, it is clear that the geological mapping has been carried out in a professional and satisfactory manner;
- As a result, the geological maps produced are both accurate and clear;
- However, the inherent difficulties of mapping (and sampling) iron ore deposits are manifest, and thus the maps while satisfactory do not tell the whole story.
- Iterative use of the drill hole data will be required to produce a map that more accurately reflects the geological setting;
- Surface sampling, it was not possible to verify the sample sites or the manner in which the samples were taken. However, there is no reason to doubt that the samples were taken in a manner adequate to the field situation; and
- Drilling;
 - Bekisopa, AKO has located several drill pads and all the trenches so have a good handle on this aspect; and
 - Tratramarina, the concrete plaques marking two borehole sites (DD12005 and DD12007) were successfully located in the field by WAI.

10.2 Sampling Validation

WAI was not able to review the drilling, sampling and sample treatment aspects of AKO 's surface sampling and drill programmes, as field work was not taking place at the time of the site visit.

However, WAI interviewed the AKO geologists on the methods utilised for the treatment of the samples and is satisfied that the procedures were adequate to the level of evaluation required. Similarly, it was not possible for WAI to fully review and evaluate the sample preparation procedures undertaken by AKO.

10.3 Laboratory Verification

All samples taken during AKO's various sampling campaigns were analysed at certificated laboratories and adequate checks and balances were included.

While QA/QC procedures form a normal component of a due diligence report, it is considered that, due to the early stage nature of the projects reviewed, a full QA/QC report is not necessary at this stage. It is known however, that the normal procedures, the insertion of blanks and standards for example, were followed.

10.4 Database Validation

Database validation has already been covered to an extent in the consideration of the "physical" exploration and drilling. In addition, AKO has kept adequate records of all these activities in a variety of formats. Obviously, WAI has had extensive use of this database in compiling this report.

The most critical are the drill hole data sets. All the relevant data have been compiled into Excel formats, and is thus reasonably easily utilised in this review. They include all the necessary relevant factors, inter alia:

- Borehole ID;
- Co-ordinates (X, Y, Z) – hand held GPS;
- Azimuth;
- Dip;
- Total length;
- Date of drilling (start/finish);
- Contractor;
- Geologist involved;
- Sample type, e.g. size;
- Drill hole survey (yes/no) and type;
- Sampling data (from/to, X/Y co-ordinates, length, etc.);
- Drill type;
- Lithological code;
- Laboratory;
- Analytical method;
- Weight of sample; and
- Analyses.

All of this provides a very solid database from which to work on a future Mineral Resource statement. WAI has suggested certain possible improvements in the recording of the data to make it more "user-friendly".

There are other ancillary, almost ad hoc data sets which are of considerable assistance in the assessment of the various AKO projects, and these have been utilised in the production of this report.

11 MINING

As currently no Mineral Resource statement is possible for the three AKO iron ore projects under review, it is premature to speculate on possible mining methods which will likely be open pit mines, should they be developed.

All three show favourable characteristics for the development of open pits, as the BIF that makes up the ore also forms prominent ridges which should reduce the stripping ratio.

***WAI Comment:** At Bekisopa, the surficial ore could make a good starting point should a mineable, recoverable resource be defined. This surficial material could probably be scraped off with bull-dozers and excavators without the need for drilling and blasting, then screening and crushing to potentially produce a high-grade (DSO) lump, and fines products. Work should be completed to confirm the presence of any DSO material and its propensity to be upgraded.*

12 PROCESSING

12.1 Introduction

The following sections cover a review of the processing information regarding the Bekisopa, Tratramarina, and Ambodilafa projects.

12.2 Bekisopa

There is very little metallurgical information regarding the processing characteristics of the Bekisopa iron ore. Some general comments can be found in a 1961 report by BRGM where it was considered that the primary mineralisation could be easily enriched by low intensity magnetic separation after grinding to 1 - 2mm with satisfactory recoveries of iron.

It was envisaged that a flowsheet could be developed involving wet processing of the <6mm material (mostly <0.1mm) and dry processing of the >6mm fraction. It was recommended that initial tests should include basic chemical and mineralogical analyses, and that beneficiation tests should include low grade samples to determine the minimal grade that would render saleable concentrates.

The "Surface Resource" at Bekisopa will require a thorough programme of sampling to determine the grades and processing characteristics of the minerals present. This material consists of a mixture of soils, lateritic material, cobbles and boulders which all may contain iron minerals.

The material will require scrubbing and washing followed by analysis of the sized fractions. If the grade of the in situ sized fractions is too low, beneficiation tests should be undertaken using magnetic separation. The coarser fractions will require crushing ahead of basic cobbing, and the finer fractions will be treated in a low intensity drum separator.

Across the tenement, WAI observed some high-grade lump ore reporting at a grade of 65% Fe, the actual proportions of which, could be determined from a trenching and screening exercise. As noted, this material could be readily able to be mined, and if demonstrated to be of considerable tonnage, could lead to a small-scale mining activity producing direct ship lump magnetite ore.

There is no information or comments regarding the process characteristics of the primary ores.

Specific mineralogy and then mineral processing valuations will need to be conducted on each of the potential products from Bekisopa; the high-grade lump DSO, the disseminated magnetite and the fine magnetite in the laterite soils.

12.3 Tratramarina

WAI has reviewed a report dated 2012, which covers the results of Davis Tube Testing (DTT) on borehole samples. A total of 11 intervals were chosen from the seven holes drilled at Tratramarina to test the mineralisation types intersected.

It was stated that the mineralisation can be divided into three main ore types based on mineralisation styles and the effects of surface weathering:

1. Weathered near surface mineralisation consisting of magnetite and hematite quartzite;
2. Fresh magnetite quartzite interbedded with other material types; and
3. Fresh magnetite quartzite.

Table 12.1 shows the categorisation of material types, total of combined zones intersected, relative abundance of material types, and average contents of Fe, SiO₂, Al₂O₃, P and S.

Mineralisation		Weathering	Total M Intersected	Mineralisation Abundance	Average analysis				
No.	Type				Fe	SiO ₂	Al ₂ O ₃	P	S
1	Inter	Weathered	118	25%	28.70	49.39	5.18	0.07	0.02
2	Inter	Fresh	232	50%	25.71	51.80	4.03	0.04	0.90
3	MQT Fresh	Fresh	114	25%	34.97	45.85	0.46	0.06	0.47

The majority of mineralisation intersected was fresh magnetite-quartzite mineralization (MQT) interbedded with various other non-mineralised meta-sediment, and less commonly igneous material types.

Significant thicknesses of fresh magnetite were intersected at depth, with little interbedded material, but these were not intersected at surface with significant thickness. Weathered interbedded material ranged from 23 - 37% Fe, whereas fresh interbedded material ranged from 18 - 30% Fe, and fresh pure MQT (see Table 12.1 above) graded 30 - 38% Fe.

From rock chip sampling the weathered pure MQT at surface was known to be generally >35 - 40% Fe, and that the surface mineralisation types typically contained more hematite and were less magnetic.

The results are summarised as follows:

- Fe recoveries for Type 2 (interbedded fresh) were highest at a 100µm grind giving an iron recovery of 65.5% to a 66.8% Fe concentrate, containing 4.8% SiO₂, 0.8% Al₂O₃, 0.01% P and 2.6% S;
- Fe recoveries for Type 3 (fresh MQT) were highest at a 125µm grind size, giving a recovery of 92.7% Fe to a 65.0% Fe concentrate, containing 8.26% SiO₂, 0.2% Al₂O₃, 0.01% P and 0.42% S;
- The highest mass recoveries corresponded to the highest Fe recoveries:
 - Type 1 - 19.42%:
 - Type 2 - 25.89%: and
 - Type 3 - 50.09% mass recovery.
- The best Fe recovery over all samples and material types was at the 100µm grind size, giving a recovery of 67.33% Fe to a 66.16% Fe concentrate, containing 5.75% SiO₂, 0.66% Al₂O₃, 0.02% P and 1.02% S;

- At a 75µm micron grind, when Fe recovery was reduced by less than 1% to 66.41% and mass recovery was reduced to 30.29%, the SiO₂ levels dropped to below 4% and S to below 0.99%; and
- The sulphur was low in Type 1 and 3, but high in Type 2, with an average of >2% S in the concentrates at all grind sizes tested. This was largely attributed to the removal of sulphur as a result of weathering at surface, and interbedded units include those with mafic volcanic rocks which appear to provide the sulphur.

12.4 Ambodilafa

WAI was unable to source any metallurgical data regarding the Ambodilafa project.

12.5 Typical Iron Ore Testwork Programme

It is clear that there is very little processing information regarding the processing characteristics of the deposits covered in this report. Tratramarina is the only project on which metallurgical test reports are available.

Future metallurgical development work should focus on the mineralogy of the weathered ore types, to better define the processing technologies which may be applicable. Testing of the primary ore types should focus on the establishment of the various domains or ore types and undertaking laboratory testwork programmes on those ore types.

Metallurgical test work programs are considered for the surficial Bekisopa ore and the Tratramarina upgradeable ore. Section 12.3 contains details on the proposed metallurgical test work program for Tratramarina type material.

At Bekisopa, a metallurgical test work program would initially focus on determining the grade and proportions of the various coarse fractions produced from a screening program. This test work would involve sampling the surficial ore from across the Bekisopa project, then crushing and screening to produce a -30mm to +6mm size (lump ore) and a -6mm size (fines ore). Then sampling both these lump and fines fractions for analysis to determine suitability for direct shipment as lump or fines grade ores.

Future test work at Bekisopa would be on the primary rock obtained from the drilling programs. Depending on the rock types identified from drilling, the test program would be similar to that described above to produce a lump and fines product suitable for direct ship ore.

Alternatively a series of crushing, screening and grinding studies to determine the size and grade distribution for potential upgrading of the ore would be completed, the detail of this test work program is described below.

The following is a description of a standard testwork methodology. Testing may be modified according to the mineralogical assessments, but is likely to comprise some or all of the following processing stages:

- Crushing to 10mm;
- Dry cobbing to produce a pre-concentrate;
- Grinding of the cobbing concentrate to a P80 of around 190µm (0.19mm);
- The ground cobber concentrate will undergo a stage of wet LIMS (low intensity magnetic separation) to produce a rougher concentrate, and a rougher tailings product;
- The rougher tailings will undergo a further stage of wet LIMS, to produce a scavenger concentrate, and a scavenger tailings product;
- The rougher LIMS concentrate will be combined with the scavenger LIMS concentrate and fed to a further stage of grinding to achieve a product with a P80 of approximately 45 microns (0.045mm);
- The ground product (i.e. rougher LIMS concentrate, plus Scavenger LIMS concentrate) will be fed to a cleaning stage of wet LIMS to produce a cleaner LIMS concentrate and a cleaner LIMS tailings product;
- The cleaner LIMS tailings product will be fed to a further stage of wet LIMS to produce a cleaner scavenger LIMS concentrate, and a cleaner scavenger LIMS tailings product; and
- The cleaner LIMS concentrate will be combined with the cleaner scavenger LIMS tailings, and fed to flotation to remove sulphur (essentially pyrrhotite) using a xanthate collector (probably PAX).

A number of other tests such as Bond Abrasion and Bond Ball Mill Index testing, settling testing and filtration testing, may be carried out on the appropriate products generated during the testwork.

12.6 Testwork Equipment

The equipment used to undertake the testwork programme is shown in Photo 12.1 to Photo 12.4 below:



Photo 12.1: Eriez KAPDNE Dry LIMS



Photo 12.2: Eriez KW12.15 Wet LIMS



Photo 12.3: Bond Abrasion Test Equipment



Photo 12.4: Bond Ball Mill Test Equipment

A typical testwork programme would require approximately 100kg of sample and take approximately 2 months.

13 ENVIRONMENT, SOCIAL, HEALTH & SAFETY

13.1.1 *Scope of Study*

This review of the environmental and social performance of the Bekisopa, Tratramarina and Ambodilafa iron ore projects is based on a brief site visit (by a WAI geologist) and reconnaissance together with discussions with local staff, and a brief review of documents provided by AKO.

In the short time available, it is only possible to have an overview of the project, and the way that the company manages its health, safety, environmental and social obligations.

The following documents were consulted for the development of this section, which are specific to the Bekisopa site:

- Environmental Impact Assessment (“Etude d’Impact Environnemental du Projet d’Exploration de Fer”), Iron Ore Corporation of Madagascar, September 2014;
- Technical Document of the Application for Authorization to Use Water in the Permit PR 10430, Iron Ore Corporation of Madagascar, undated;
- Health Review – Mahanoro, Madagascar (Tratramarina), Prepared for AKO by International SOS, June 2011;
- Contribution a l’Etude Qualitative de La Mineralisation en Fer de Tratramarina-Mahanoro: Cas des Quartzites a Magnetite. Memorie de Fin d’Etude – Dimitri Zafidahy (degree thesis for the diploma of Geological Engineer, University of Antananarivo, 2011; and
- Security and Safety Reviews for India Pacific Resources Limited Assets in Madagascar, Control Risks, June 2011

Whilst WAI believes it has gained some insight into the key issues and performance, there may be additional information that was not seen, or variations in interpretation of the available data that could not be explored further.

13.2 Environmental & Social Review

13.2.1 *Bekisopa*

The Bekisopa project is based in Tanamarina Bekisopa Municipality, District of Ikalamovony. The area around the project site is characterised by vast savannah plains, with a mean altitude of 850m AMSL. The nearest settlement is Bekisopa village, located 17km to the southeast. The project area is bordered to the west by the Ambararatabe stream, and to the south by the Zomandao River.

The project area has a high-altitude tropical climate with a cool winter and dry summer. The site is characterised by red ferruginous soil, whereas lowland areas in the region comprise hydromorphic gley. Local vegetation is dominated by the grassy savannah species.

An Environmental Impact Assessment (“EIA”) Report of the Ambatomainty Bekisopa exploration project was produced by the previous owners “Iron Ore Corporation of Madagascar” (“IOCM”) with the help of local consultants and published in September 2014.

The EIA was submitted to accompany an application for an Environmental License, produced in compliance with Madagascar environmental regulations, specifically the Compatibility of Investments within the Environment Decree No. 99-954 (15 December 1999, modified as No. s2004-167 on 3 February 2004).

A hydrological study was conducted within the Bekisopa PR N 10430 site to obtain authorisation to use water during the project’s research phase. The study focused on areas where surface waters were predicted to be affected by the drilling campaign.

The study showed that, based on data taken at specified sampling points, which were earmarked for water extraction during the project’s exploration stage, that the Bekignana River’s water volume is roughly 10,000 times greater than the needs of the project.

Thus, it was predicted that the project’s exploration phase and associated water extraction would not significantly impact surface waters in the area. No other water users were identified within or around the project area.

IOCM was the previous owner of the mining exploration license (PR N 10430) which comprises four separate areas of 6.25km² (25km² in total). Planned exploration activities include drilling a total of 320 boreholes across the project’s area.

The EIA suggested that the exploration project’s drilling works would not generate significant ground movement, nor would the works cause any significant modifications to surface waters or landscape topography in the area. Further, no environmental or social aspects are predicted to have a higher impact level than “low” (Fr. = “faible”).

To support the EIA, a series of brief management plans were developed covering the following topics:

- Soils;
- Air Quality and Noise;
- Water Quality;
- Flora;
- Biodiversity;
- Employment; and
- Health and Security.

The area around the project has a low population density of 8 inhabitants per km². In terms of social infrastructure, the project will host a workers’ camp, including a kitchen, dining hall, facilities and equipment storage rack, fuel storage areas, tents, showers and a consultation room.

The EIA predicted that the project would benefit local communities from an economic perspective, creating new job opportunities and infrastructural development. These predictions are based on a series of meetings with local stakeholders, including the local Environment and Forestry Chief.

The EIA reports that no site of archaeological or cultural heritage interest was found within the project area.

The project will also engage with local communities, including by supporting development of local green spaces such as a school garden and vegetable patch. Other proposed activities for the project included:

- Rehabilitation of rural road tracks;
- Creation of tracks connecting the boreholes;
- Development of a social programme, including awareness and training programmes at public schools in the area; and
- Construction of community wells to improve village water supplies.

WAI Comment: *At Bekisopa, AKO should update the existing EIA and associated management plans to Madagascan standards to reflect changes in the project description. All necessary environmental permits and licenses should be obtained and maintained in accordance with Madagascan legislation. For compliance to international standards of best practice, an enhanced environmental and social baseline should be developed to support further impact analysis. Aspects predicted to impact negatively upon the environment or local communities should be further understood and comprehensive mitigation and monitoring strategies should be formalised.*

Security around the project site was flagged as a key concern within previous reviews. A 2011 Security Review outlines the potential security risks to AKO 's Madagascan assets. These include:

- *Addressing security management structures;*
- *Setting up physical security barriers;*
- *Managing travel of personnel;*
- *Training drivers;*
- *Developing emergency response and evacuation procedures;*
- *Training guards and guardians;*
- *Training staff;*
- *Liaising with security forces; and*
- *Developing community relations.*

WAI Comment: *WAI recommends that AKO continues to develop Health & Safety Management Plans at all three sites according to Madacascan and international best practice standards.*

13.2.2 *Tratramarina*

The Tratramarina project is located in Betsizaraina rural community in the district of Mahanoro of Atsinanana Region, 25km to the south of Mahanoro. The site can be accessed by road from Mahanoro.

The climate at Tratramarina is tropical and humid, with two distinct seasons: a warmer season with lower rates of precipitation (September to March) and a rainy, cooler season (April to August). The project area receives around 200 days of rain per year with an average annual temperature of 20 - 26°C.

The Tratramarina area comprises a mixture of mountains, hills and valleys.

The project area has a medium-dense hydrological network, characterised by both temporary and permanent network nodes. The main river in the region is the Mangoro, which is shallow and characterised by a number of islets located within the Tratramarina project area. The Mangoro river crosses the eastern and southeastern portion of the study area. In total, the river runs 300km in length, draining a catchment basin that is 17,175km² in size.

Overall, Betsizaraina Rural Commune comprises little by way of vegetation with the exception of sparsely arranged woodlands. The woodlands are harvested by the local population in order to construct houses and furniture. The project area itself is almost entirely covered in secondary forest and dominated by the tree genus *Ravenala*.

The primary economic activity of local communities around the Tratramarina project area is agriculture. Crops include cereals and tubers which form the basis of the local diet. Local farmers also grow fruit, including bananas, litchis and pineapple. Local farmers are increasingly growing vanilla, pepper, coffee, sugar cane and cloves, though these agricultural products remain rare in the area because of uncertainty around their price.

Local farmers in Betsizaraina raise cows and pigs, though these farms remain rare because of the regular passing of cyclones and a lack of food for livestock. Betsizaraina Rural Commune supplies the Mahanoro area with milk.

Members of local communities fish regularly in the area's waterways, both for food and for pleasure. These fishermen use traditional gear, fishing mostly for their own food and very rarely sell their catch.

Goods are transported by road, river and on the backs of local community members. Road transport is limited to the road connecting Mahanoro and Betsizaraina. Poor road quality makes it difficult to travel between smaller settlements in the region. Riverine transport connects communities near the Project area to those inhabiting Masomeloka, in particular along the Mangoro River. Some goods are transported on the backs of local community members over a distance of up to 20km.

Mining resources in and around the project area comprise almost entirely of gold and crystal quartz reserves. Gold has conventionally been found by local populations in the Mangoro River, but

infrastructure development and upscaling has always been deemed too difficult as a result of socioeconomic and environmental constraints.

A Health Review conducted in 2011 for the Tratramarina project area assessed the capabilities of the local healthcare system as well as potential health risks faced by AKO 's staff in Madagascar, providing recommendations for reducing and managing health risks.

Key findings within this report were:

- Local medical facilities
 - Employees and contractors generally subject to a healthcare service were well below international standards;
 - The closest facilities offering healthcare to international standards are in Antananarivo (360km distance, 7 hours by car); and
 - Definite care for more serious conditions will have to be sought abroad, including at centres of medical excellence in Reunion island (France) and South Africa;
- On-site medical provisions
 - As of 2011, there was no medical facility at the project site. As local hospitals were deemed to be of low standard, it was recommended that the proposed on-site clinic be as self-sufficient as possible;
 - The provisional initial minimum recommendation would be an internationally accredited Advanced Life Support Paramedic stationed on-site;
 - The paramedic would be deployed with the full standard of essential emergency and primary healthcare medications, consumables and equipment; and
 - The services provided would address any risks identified and would include health education, emergency and primary healthcare services.
- Medical transport
 - As of 2011, there were no recommended ground ambulance providers operating in the project area;
 - Evacuations between different cities would have to be done by means of ground ambulance and/or air ambulance. Regional providers offer Air Ambulance services from Tamatav to La Reunion while Air Rescue Africa can transport patients from Tamatav to Johannesburg; and
 - The report recommended that AKO develop a system to manage the movement of a patient from the site to a local medical facility or point of evacuation.
- Health Risks and Prevention Programmes
 - Prevalence of infectious diseases;
 - Non-communicable diseases are present in the local population, which could be mitigated with health education and promotion programmes to control the risks of chronic diseases among employees and to promote a healthy lifestyle;
 - Road traffic accidents and associated fatalities are common;

- Workplace hazards would need to be identified through a thorough Workplace Risk Assessment; and
- Environmental hazards that are unique to the location include venomous snakes and scorpions. Bites are common and can be fatal. Employees should be provided education on preventative and first aid measures.

WAI Comment: *At Tratramarina, AKO should continue to collect environmental and social baseline data in order to subsequently conduct impact analyses based on a refined project description. All necessary environmental permits and licenses should be obtained and maintained in accordance with Madagascan legislation. The 2011 Health Review and associated management plans should be updated as the project develops.*

13.2.3 Ambodilafa

WAI Comment: *WAI has not reviewed any site-specific documentation relating to the Ambodilafa site. For compliance with Madagascan and international standards of best practice, AKO should develop an environmental and social baseline which would support future development of impact analyses according to the project description, as it develops.*

For all three project sites, necessary environmental permits and licenses should be obtained and maintained in accordance with Madagascan legislation, which include the:

- *Madagascar Mining Code;*
- *Madagascar Mining Decree (2006 - 910, December 2006);*
- *Environmental legislatives related to the mining sector, including:*
- *The MECIE decree (December 1999); and*
- *The Ministerial Order on the Sensitive Zone (Project area), Ministry of the Environment, Water and Forestry 2004 No 18 177 / 04.*

13.2.4 Summary

WAI notes AKO reportedly has a very good record of community relations and environmental compliance, this is evidenced by the fact that in 2012 AKO was the recipient of a Government award for environmental performance relating to the AKO exploration program.

14 RECOMMENDATIONS & CONCLUSIONS

14.1 Recommendations

WAI has recommended drilling to add knowledge to the structural understanding of the main Bekisopa project, with further drilling to then (results dependant) allow for the declaration of a Maiden Mineral Resource Estimate.

Once this project is being developed, other prospective targets in the area are also considered worthy of a second phase of geophysical works, and mapping/sampling as the area as a whole remains very prospective and under explored.

14.2 Conclusions

14.2.1 Bekisopa

The exploration to date has shown that significant areas of high-grade iron-ore mineralisation is present to at least 20m below surface (the depth of the majority of the previous drilling) over a strike extent of plus 5km.

High grade disseminated magnetite bearing amphibolite and calc-silicate is noted at surface adjacent to the massive mineralisation.

A good example is provided by BRGM Trench 7 which shows high grade (plus 60% Fe) massive magnetite-hematite adjacent to moderate to high grade (30 - 60% Fe) disseminated magnetite and "barren" country rock (Figure 14.1 below).

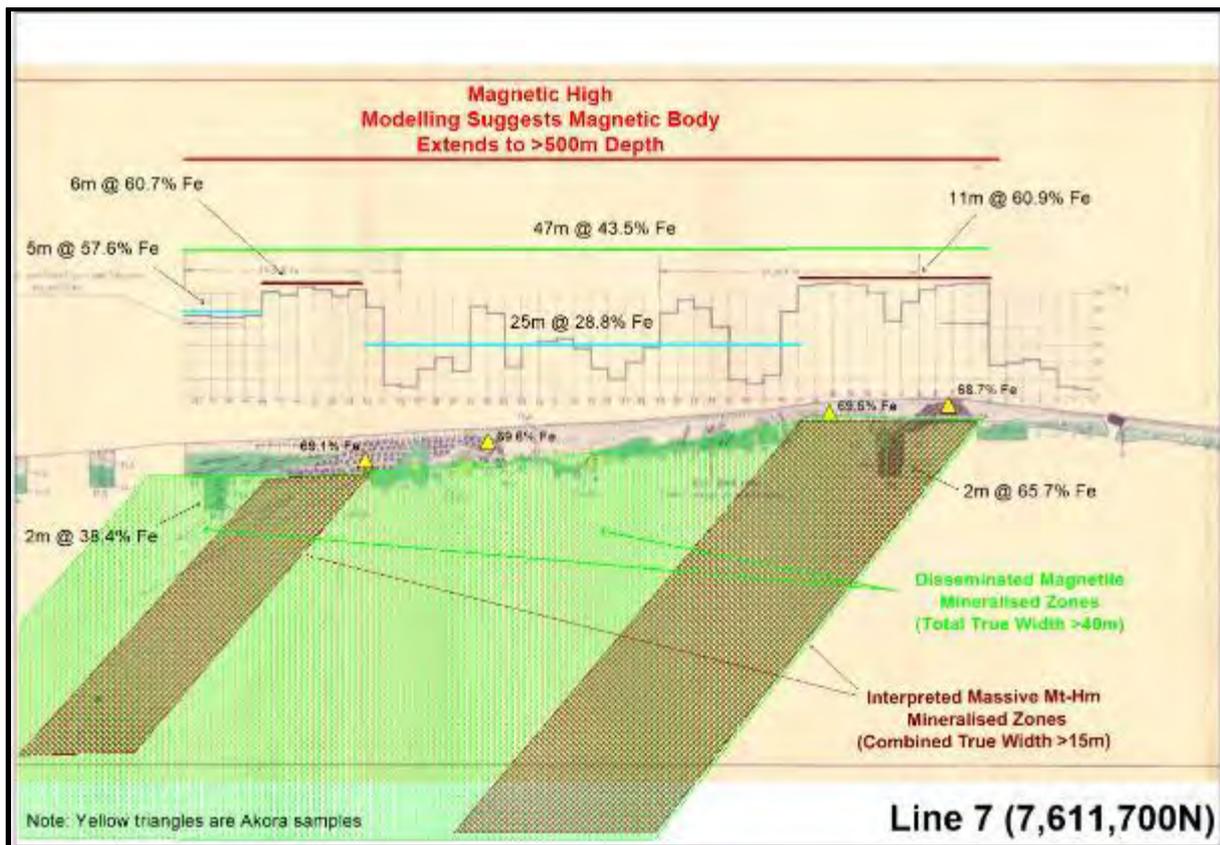


Figure 14.1: BRGM Trench 7 with Mineralisation Interpreted Extending to Depth

Many of the previous drillholes of BRGM were very shallow (generally less than 19m) and many finished in massive magnetite-hematite mineralisation or had a single metre of “country rock” at their end.

This could easily be a small interbed of either disseminated magnetite mineralisation or barren country rock and is not considered a reliable indicator that massive magnetite-hematite mineralisation has been terminated. However, based on this, BRGM interpreted the mineralisation to be either a surficial cap or to have a very shallow dip.

It is evident from both BRGM trench exposures and from magnetic modelling that the majority of the magnetic mineralisation is likely to have a moderate to steep dip in most instances and this would suggest considerable depth potential for both the massive mineralisation and the intervening disseminated mineralisation.

Based on these interpretations, good potential can be seen for several massive magnetite-hematite layers from a few metres to over 20m thick and grading over 60% Fe within a broader zone of disseminated magnetite mineralisation grading 30 - 60% Fe. It is highly likely that this package will continue at depth and potential can be seen over the full 5 - 7km strike within AKO’s current tenure.

A contour of minimum thickness of plus 60% Fe mineralisation has been produced by AKO based on the existing drilling, trenching and pitting data as shown on Figure 14.2.

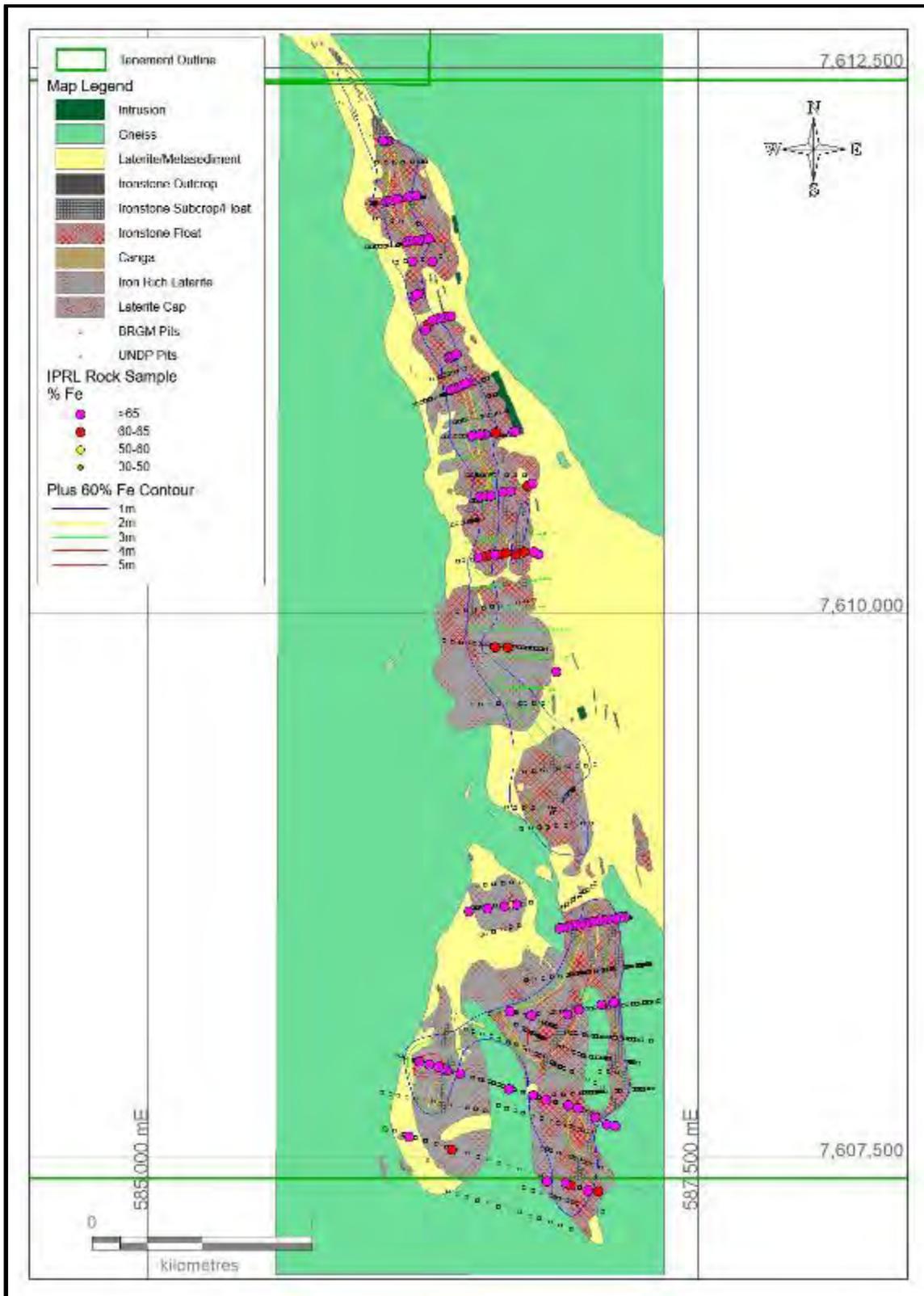


Figure 14.2: Contours of Depth of Plus 60% Fe Surficial Material

The above interpretations enable a rough estimate of potential tonnage of plus 60% Fe material near surface (to a maximum depth of 20m) to be calculated.

While this is not able to be quoted as a resource under JORC guidelines, it does fall within the same order of magnitude as the BRGM and UNDP near surface mineralisation estimates and hence supports these numbers.

Given the exploration to date has shown that significant areas of high-grade iron-ore mineralisation is present to at least 20m below surface over a strike extent of plus 5km, it is possible to complete an estimate of the potential tonnage of plus 60% Fe material near surface (to a maximum depth of 20m), namely 10 -20Mt grading 60 – 65% Fe (Exploration Target No. 1) see Table 14.1 below.

By using all three estimates, an Exploration Target of between 10Mt and 20Mt grading between 60% and 65% Fe can be established within the top 20m.

The potential quantity and grade of this target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource, and it is uncertain if further exploration will result in the estimation of a mineral resource.

It does not appear as though the plus 60% near surface mineralisation is distributed much wider than the outcrops/subcrops of massive magnetite-hematite and hence only minor downslope creep is interpreted.

Based on that, it is not unreasonable to assume the mineralisation continues at depth at similar tonnages and grades, and thus an Exploration Target of 50Mt to 100Mt at similar grades (60 - 65%) can be interpreted to 100m depth.

The potential quantity and grade of this target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource, and it is uncertain if further exploration will result in the estimation of a mineral resource.

As noted previously, there is ample evidence that significant “disseminated magnetite” material occurs between the massive magnetite bands/lenses and this tends to average between 30% and 60% Fe.

The combined width of the package of massive and disseminated magnetite varies from around 35m to over 100m. If an average width of 50m is assumed (this is likely to be conservative as complex folding probably repeats the stratigraphy in the south).

Using a total strike of 7,000m, and modelled to a depth of 500m, an Exploration Target for the system as a whole can be estimated at between 0.5Bt to 1Bt of 30 - 60% Fe. While there is some faulting present, this appears to have displaced the mineralised bands rather than terminated them.

The potential quantity and grade of this target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource, and it is uncertain if further exploration will result in the estimation of a mineral resource.

Depending on the extent of the high-grade massive magnetite-hematite mineralisation, it may be feasible to undertake a conventional mining and screening operation, and produce high grade lump magnetite ore, plus a separate high-grade fines product.

The Bekisopa project should be viewed as an Exploration Target at this stage, as the existence of potentially economic ore at depth has yet to be shown. However, the figure of 50Mt to 100Mt of high-grade massive magnetite-hematite mineralisation to a depth of 100m makes Bekisopa an exploration target that merits significant further work.

The WAI Exploration Targets are not able to be quoted as Mineral Resources under the guidelines of the JORC Code (2012), although they do fall within the same order of magnitude as the BRGM and UNDP near surface mineralisation estimates, see Table 14.1 below, and hence support these numbers.

Table 14.1: WAI Exploration Target			
	Target 1 Surficial Material	Target 2 High-grade Mineralisation to 100m Depth	Target 3 High-grade plus Intervening Disseminated Mineralisation
Tonnage Range	10 - 20	50 - 100	500 - 1,000
Grade Ranges % Fe	50 - 65	50 - 65	30 - 60

The potential quantity and grade of this target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource, and it is uncertain if further exploration will result in the estimation of a mineral resource.

14.2.2 Tratramarina

In brief, AKO has shown the presence of potentially, economically significant magnetite iron mineralisation at Tratramarina. The grade is as yet, still not known with any degree of certainty, and the tonnage remains to be defined, however, it may be considered an exploration target that merits further work.

- Tratramarina
 - It appears that there are several nodes of BIF concentrations at Tratramarina;
 - The BIF makes up the several hills that lie within the AKO -controlled tenements;
 - While the work to date, mainly the geological mapping and the drilling – have defined the area to some degree, considerable more work will be required to adequately define the litho-structural complexities of the area;
 - Once this is achieved, a resource and its characteristics may well be defined;
 - A possible work programme for defining the resource is included as Appendix II; and

- Preliminary metallurgical test work suggests that the magnetite will concentrate well.

14.2.3 Ambodilafa

WAI has not yet fully reviewed the data on the iron prospect at Samelahy;

- It appears that the iron mineralisation is made up of several BIF horizons that are separated by “waste” in a structurally complex zone; and
- Consequently, as the litho-structural setting is not yet well-understood, considerably more drilling will be required; While the work to date, mainly the geological mapping and the drilling – have defined the area to some degree, considerable more work will be required to adequately define the litho-structural complexities of the area similar to that above for Tratramarina.

15 OPINION OF MERIT

In the opinion of the Author, the three projects have demonstrated the presence of Iron.

The Bekisopa main project, and surrounding area are considered to be highly prospective, with both high grades being present, and the potential for a large tonnage project.

To demonstrate the above would not be a difficult process, or overly expensive considering the good works completed to date.

The Tratramarina and Ambodilafa projects are also prospective, and the potential exists for significant Mineral Resources to be developed.

Further exploration is recommended.

16 APPENDIX 1: BEKISOPA WORK PROGRAMME

An indicative exploration programme is laid out below:

- Geological mapping:
 - More detailed mapping on 100m spaced traverse lines across the critical areas;
- Conduct ground magnetic survey on the Bekisopa south west tenements;
- Drilling programme:
 - Resource drilling;
 - Structural drilling;
 - Improve knowledge of average grade; and
 - Metallurgical test work.

See below a draft budget and schedule to accomplish the above tasks over a 18-month to 24-month period.

Table 16.1: Exploration Programme Costs 2020 - 2022 (Costs in AUD\$)							
Year	Drilling Meters	Cost of Drilling	Sampling/ Analysis	Mineralogy Met Testing	Mag Survey	General Studies	Sub Total
2020	1,000	480	100				580
2021-2022 Minimum	2,000 to 3,000	1,090	280	58	80	82	1,590
Maximum	Plus 1,000	480	80				560
Total Minimum Raise \$4M							2,170
Total Maximum Raise \$5M							2,730

17 APPENDIX 2: TRATRAMARINA WORK PROGRAMME

A possible work programme for Tratramarina could include, inter alia:

- Topography
 - Acquisition of high resolution satellite imagery in order to;
 - Develop a detailed contour plan (5m or 2m intervals);
 - Provide an accurate base for all on-going work; and
 - Better geological interpretation.
 - Airborne geophysics - survey (200m or 100m line spacing);
 - Magnetics; and
 - Radiometrics;
 - Process and interpretation.
 - Geological mapping;
 - More detailed mapping on 100 metre spaced traverse lines across the critical areas.
 - GIS collation;
 - Sampling;
 - Not an immediate priority in WAI's view.
 - Drilling programme;
 - To be defined;
 - Resource drilling;
 - Improve knowledge of average grade; and
 - Metallurgical test work.

It is estimated that if certain programmes are run in parallel, all the pre-drilling work could be completed in a period of four months.

See below a draft budget and schedule to accomplish the above tasks over a 12-month to 18-month period.

Year	Geological data	Magnetic Survey	Sub Total
2021	32	69	101
Total			101

18 APPENDIX 3: AMBODILAFA WORK PROGRAMME

A possible work programme for Ambodilafa could include, inter alia:

- Topography
 - Acquisition of high resolution satellite imagery in order to:
 - Develop a detailed contour plan (5m or 2m intervals);
 - Provide an accurate base for all on-going work; and
 - Better geological interpretation.
 - Airborne geophysics - survey (200m or 100m line spacing)
 - Magnetics; and
 - Radiometrics;
 - Process and interpretation.
- Geological mapping;
 - Clean out old trenches and re-log where possible; and
 - Investigate “gaps’ between BIF lobes.
- GIS collation;
- Sampling;
 - Possibility of bulk sampling of surficial material;
 - Excavator;
 - Improve knowledge of average grade;
 - Metallurgical test work; and
 - ?pilot plant:
- Drilling programme
 - To be defined – resource drilling.

Obviously, some of these exploration/evaluation techniques are more for the surficial ore, while others are for the primary mineralisation.

Currently there is no budget for Ambodilafa.

See below the combined exploration budget Table 18.1 and schedule.

Table 18.1: Combined Exploration Budget		
Project Area	AUD\$,000 (AUD\$4M Minimum Raising)	AUD\$’000 (AUD\$5M Maximum Raising)
Bekisopa	2,170	2,730
Tratramarina	101	101
Ambodilafa	0	0
Total	2,271	2,831

19 GLOSSARY OF TERMS

Term	Meaning
"°C"	Degrees Celsius.
"alteration"	Changes in the chemical or mineralogical composition of a rock, generally produced by weathering or hydrothermal solutions.
"Au"	Chemical symbol for the element gold.
"BRGM"	Bureau de Recherches Géologiques et Minières
"IGR"	Independent Geologists Report
"Cu"	Chemical symbol for copper.
"Cut-off grade"	The minimum concentration of a valuable component in a marginal sample of the mineral. The cut-off grade is used to delineate parts of the deposit to be mined.
"deposit"	A body of mineralisation that represents a concentration of valuable metals.
"dilution"	Waste rock that is, by necessity, removed along with the ore in the mining process subsequently lowering the grade of the ore.
"dip angle"	The angle between the direction of the described geological structure and horizontal plane.
"disseminated"	Mineral deposit in which the desired minerals occur as scattered particles in the rock, but in sufficient quantity to make the deposit an orebody.
"Fe"	Chemical symbol for iron.
"feasibility study"	Technical and financial study to assess the commercial viability of a project.
"FGS"	Fellow of the Geological Society
"g/t"	gramme per metric tonne
"gangue"	Commercially worthless material that surrounds, or is closely mixed with, a wanted mineral in an ore deposit.
"GDP"	Gross Domestic Product; total value of goods produced and services provided in a country in one year.
"Geochemical Exploration"	A chemical analysis of the rocks or soil, or of soil gas and plants.
"goethite"	Iron bearing oxide mineral (FeO(OH)).
"grade"	Relative quantity or the percentage of ore mineral or metal content in an orebody.
"hematite"	Hematite is the mineral form of iron(III) oxide (Fe ₂ O ₃), one of several iron oxides
"host rock"	Wall rock that confines the mineral occurrence zone.
"hydrothermal"	Refers in the broad sense to the process associated with alteration and mineralisation by a hot mineralised fluid (water).
"Indicated resource"	An economic mineral occurrence have been sampled (from locations such as outcrops, trenches, pits and drillholes) to a point where an estimate has been made, at a reasonable level of confidence, of their contained metal, grade, tonnage, shape, densities, physical characteristics.
"JORC Code"	Joint Ore Reserve Committee Code; the Committee is convened under the auspices of the Australasian Institute of Mining and Metallurgy
"kg"	Kilogramme (1,000kg = 1t)
"km(s)"	kilometres
"km ² "	square kilometres
"lb"	Unit of mass, pound (1 metric tonne = 2,204lb)
"m"	metre
"magnetite"	Magnetite is a mineral and one of the main iron ores. With the chemical formula Fe ₃ O ₄ , it is one of the oxides of iron.
"metamorphic rock"	A rock that has, in a solid state, undergone changes in mineralogy, texture, or chemical composition as a result of heat or pressure.
"mine plan"	Describes activities to be conducted at the mine site over the life of the operation as well as post mining management to ensure environmentally sound mining, including leaving the area in a safe, non-polluting condition, and preserving as much land value as possible.

Term	Meaning
“mine”	A mineral mining enterprise. The term is often used to refer to an underground mine.
“mineral deposit”	A body of mineralisation that represents a concentration of valuable metals. The limits can be defined by geological contacts or assay cut-off grade criteria.
“mineral resource”	a concentration or occurrence of material of intrinsic economic interest in or on the Earth’s crust in such a form that there are reasonable prospects for the eventual economic extraction; the location, quantity, grade geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge; mineral resources are sub-divided into Inferred, Indicated and Measured categories
“mineralisation”	Process of formation and concentration of elements and their chemical compounds within a mass or body of rock.
“mining method”	A combination of technical solutions that define the geometry, technology and sequence of mining.
“mm”	millimetre, one thousandth of a metre.
“Mt”	Million tonnes.
“open pit”	A mine that is entirely on surface; also referred to as open-cut or open-cast mine.
“ore”	Naturally occurring material from which a mineral or minerals of economic value can be extracted profitably or to satisfy social or political objectives.
“orebody”	Mining term to define a solid mass of mineralised rock which can be mined profitably under current or foreseeable economic conditions.
“ounce” or “oz”	troy ounce (= 31.1035 grammes)
“oxide”	Mineral formed by the union of an element with oxygen; the portion of an orebody near the surface that has been leached by percolating water carrying oxygen, carbon dioxide, or other gases.
“Pb”	Chemical symbol for lead.
“potassic”	Of, pertaining to, or containing potassium; relating to or containing potash.
“potentially toxic elements”	Elements, either metal or non-metal, that are potentially toxic in relatively low concentrations
“ppm”	Parts per million
“precious metal”	Gold, silver and platinum group minerals.
“processing”	A combination of processes for primary treatment of solid minerals in order to extract the products amenable to further technically and economically feasible chemical or metallurgical treatment or use.
“QA/QC”	Quality assurance/quality control.
“quartz”	Mineral composed of silicon dioxide.
“sampling”	The process of studying the qualitative and quantitative composition and properties of natural formations comprising a deposit.
“schist”	a medium-grade metamorphic rock with medium to large, flat, sheet-like grains in a preferred orientation.
“sedimentary rock”	Rock formed by sedimentation of substances in water, less often from air and due to glacial actions on the land surface and within sea and ocean basins. Sedimentation can be mechanical (under the influence of gravity or environment dynamics changes), chemical (from water solutions upon their reaching saturation concentrations and as a result of exchange reactions), or biogenic (under the influence of biological activity).
“sedimentary”	Rocks formed from material derived from pre-existing rocks by processes of erosion, mass wasting and weathering.
“sulphide”	Mineral containing sulphur in its non-oxidised form; that part of a sulphide deposit that has not been oxidised by near-surface waters. Ore which is in its primary mineralised state and has not undergone the process of natural oxidation.
“t”	metric tonne (1,000kg)
“tailings”	Liquid wastes of mineral processing with valuable component grade lower than that of the initial material.

Term	Meaning
"UNDP"	United Nations Development Programme
"vein"	Tabular deposit of minerals occupying a fracture, in which particles may grow away from the walls towards the middle.
"XRF"	X-ray fluorescence; emission of characteristic "secondary" (or fluorescent) X-rays from a material that has been excited by bombarding with high-energy X-rays or gamma rays; widely used for elemental analysis.
"Zn"	Chemical symbol for zinc.

20 JORC TABLE 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> • <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> • <i>In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i> 	<ul style="list-style-type: none"> • At Tratramarina, there is no historical sampling. Sampling by Akora consists of selective rock chip sampling (305 samples) collected during the process of geological mapping. This sampling is not necessarily representative of the iron mineralisation as a whole due to the poor outcrop in the area, however, it gives an indication of the overall iron values. Diamond drilling was sampled using industry standard techniques including nominal 1m sample spacing but varied to lithological contacts, cutting half core, consistently selecting the same half for collection. Crushing, splitting and pulverising approximately 1-2kg and then splitting 30g for XRF determination of Fe and associated elements. • At Ambodilafa, a total of 421 selective rock chip samples were collected and assayed in 2012. This sampling is not necessarily representative of the iron mineralisation as a whole due to the poor outcrop in the area, however, it gives an indication of the overall iron values. Diamond drilling was sampled using industry standard techniques including nominal 1m sample spacing but varied to lithological contacts, cutting half core, consistently selecting the same half for collection. Crushing, splitting and pulverising approximately 1 - 2kg and then splitting 30g for XRF determination of Fe and associated elements. • The remaining comments below refer to the Bekisopa Project. • All trenches and pits were located by GPS but are historic in nature (work undertaken by BRGM between 1958 and 1962 and by UNDP between 1976 and 1978). Most of these trenches and pits are still open although partially in-filled with scree and vegetation. In total, BRGM completed 564 pits for 1,862 linear metres excavated, 3,017m³ of trenching and 572m diamond drilling in 22 holes. UNDP completed an additional 238 pits for 897 linear metres and 101m diamond drilling in 2 holes. They collected a total of 854 samples, 710 from pits and 144 from drill-holes. • In the BRGM work, trench samples were collected as 1m horizontal channels from as close to the base of the channel as possible. If lithology changed within the 1m sample, two or more samples were collected based on each lithology encountered. Pit samples were

Criteria	JORC Code explanation	Commentary
		<p>collected as 1m vertical channels. Each channel was 20cm wide by 10cm deep.</p> <ul style="list-style-type: none"> • Samples collected by BRGM were crushed and ground to minus 0.15mm in country and then a 200g split was sent to either BRGM in Paris or Dakar or to Department of Mines for Madagascar in Antananarivo for analyses for Fe, SiO₂, Al₂O₃ and P. Detailed of assay techniques are not available but Assay work by BRGM is generally to a high standard. The analyses for P were considered to be suspect as the levels detected by BRGM in both Paris and Dakar averaged about 0.05% but the levels detected by the Department of Mines in Madagascar averaged about 0.19%. Recent work has confirmed P is low for high grade iron mineralisation and the BRGM results are now considered to be more accurate than the Departmental work. • Samples collected by UNDP were obtained and prepared in a similar manner except channels were 10cm wide and 10cm deep. The samples were crushed to minus 1mm in the field and then a 200g split (riffle split) was sent to the laboratory Denver du Service Géologique in Antananarivo. A 50 - 70g split was subsequently assayed at the same laboratory. They were assayed for Fe by boiling the pulp for 5 hours in a hydrochloric acid concentrate followed by calcining at 1,000°C and dissolution in a 480 nano-molar orthophenanthroline solution and analysis for iron using a Technicon auto-analyser. It is noted that this method can slightly under-estimate iron content but that standards were generally within 1% Fe of expected values. Iron, aluminium and titanium were analysed by a double attack using the three acid reagent (nitric, hydrochloric and sulphuric) followed by calcination at 1,000°C and determination of iron, aluminium and titanium in a solution of 480 nano-molar orthophenanthroline, 540nM eriochrome cyanine and 540nM hydrogen peroxide respectively followed by analysis using the Technicon auto-analyser. Phosphorous was analysed by boiling the pulp in nitric acid for 5 hours followed by cleaning using sulphuric acid prior to dissolution in 660nM sulphomolybdic acid and analysis using the Technicon auto-analyser. • Drilling was conducted in the same two campaigns and sampled were collected and analysed as for the channel and samples.
Drilling techniques	<ul style="list-style-type: none"> • <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type,</i> 	<ul style="list-style-type: none"> • At Tratramarina, a total of 1,360m NQ/HQ core was drilled in 9 drillholes by Akora during 2011 - 12. The orientation of the drillholes was variable and is not considered to be ideal, with at least one hole drilled sub-parallel to stratigraphy. • At Ambodilafa, seven diamond drillholes totalling 1,883m was completed by Akora during

Criteria	JORC Code explanation	Commentary
	<i>whether core is oriented and if so, by what method, etc).</i>	<p>2013. This proved that mineralisation is more complex than originally thought and that the drilling may not be in the optimal directions. However, it did prove the presence of significant widths of iron mineralisation.</p> <ul style="list-style-type: none"> • The remaining comments below refer to the Bekisopa Project. • Drill hole are historic in nature but are known to be core holes. The BRGM drilling was undertaken using a Joy 7 drilling rig but core diameter is not known. Recovery was generally low in the surficial material (often less than 50%), and samples were collected both from the core and the cuttings. These generally confirm each other where both are available but significant losses of material may be encountered as the drilling was not triple tube and hence results should be used with caution. Below the surficial zone (variable from 10m to 30m in depth) recovery is much better (50 - 100%) and results are considered to be more reliable. Cuttings are generally not sampled below between 10 - 20m depth. • The sample results from the trenching and pitting are considered much more reliable and these do confirm the drill results where overlap occurs.
Drill sample recovery	<ul style="list-style-type: none"> • Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> • At Tratramarina and Ambodilafa, drill core recovery was sufficient to establish the presence of significant widths of iron mineralisation. • At Bekisopa, Drill recovery is poor above 10 - 20m as noted above due to the unconsolidated nature of the material at shallow depths. However, cuttings are also collected in areas of poor recovery and these confirm core results where overlap occurs as noted above.
Logging	<ul style="list-style-type: none"> • Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> • Logging at Tratramarina and Bekisopa has been undertaken to industry standards and confirms assay results for the very distinct iron mineralisation. All drillholes were tested using a magnetic susceptibility metre and results compiled and reported with the visual logging. • Logging at Bekisopa is historical in nature, however work was conducted by the BGRM and UNDP and drill logs are available and appear to be of high quality. • Logging and assaying confirm each other as expected for the very visually distinct iron mineralisation.
Sub-sampling techniques and	<ul style="list-style-type: none"> • If core, whether cut or sawn and whether quarter, half or all core taken. 	<ul style="list-style-type: none"> • At Tratramarina and Ambodilafa, core samples were cut in half by core saw, one (consistent) half was collected for assay. This was crushed in the laboratory and

Criteria	JORC Code explanation	Commentary
sample preparation	<ul style="list-style-type: none"> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<p>subsequently riffle split to between 1kg and 2kg. This split was subsequently pulverised to minus 90 micrometres and then a 30g split collected for assay. Sizing analyses were performed approximately every 50 samples.</p> <ul style="list-style-type: none"> • At Bekisopa samples were collected as noted under Sampling Techniques above. Samples were crushed on site to nominal 1mm and the split with riffle splitter to 200g which was then pulverised in the laboratory to minus 150 mesh or about 50 micrometres.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> • At Tratramarina and Ambodilafa industry standard QaQc was undertaken including standards, blanks and duplicates. These are all within tolerance. • At Bekisopa, the QA/QC is historic in nature, therefore the nature of QA/QC is unknown. Some standards were used and were within tolerance (1% Fe) but details are not known.
Verification of sampling and assaying	<ul style="list-style-type: none"> • The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> • QA/QC is historic in nature, therefore the nature of QA/QC is not known with certainty. No twin drilling was undertaken but some duplicates and standards were used. BRGM and UNDP are high quality explorers with a good reputation.
Location of data points	<ul style="list-style-type: none"> • <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings</i> 	<ul style="list-style-type: none"> • Drill-hole collars, trenches and pits have been field located by GPS (+/- 5m accuracy). Original locations appear to be very good.

Criteria	JORC Code explanation	Commentary
	<p><i>and other locations used in Mineral Resource estimation.</i></p> <ul style="list-style-type: none"> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • All information is currently digitised using UTM (WGS84) Zone 38 Southern Hemisphere co-ordinates. • Topographic control is based on contour maps from the BRGM/UNDP work and by Google Earth topography outside areas previously surveyed.
Data spacing and distribution	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • Drill-hole collars and trench/it locations are based on BRGM/UNDP maps and many have been confirmed by GPS (+/- 5m accuracy). • Trench and pit spacing is systematic and averages about 50m line spacing and 20 - 40m along line spacing. Sampling within pits and trenches is generally at 1m intervals modified by lithology. These are close enough to show good continuity at/near surface. • Drill-hole spacing is erratic and generally very shallow (<20m) apart from a few holes. These are not enough to establish any significant depth continuity below 20m.
Orientation of data relation to geological structure	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> • The geological orientation has been checked in the field and pits/trenches are generally perpendicular to the strike of the iron mineralisation. • No sample bias due to sampling is evident.
Sample security	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • Sampling is historic in nature, therefore the nature of sampling is unknown, however the professionalism of BRGM and UNDP means that any tampering is extremely unlikely.
Audits or reviews	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • No audit has been conducted.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section)

Criteria	JORC Code explanation	Commentary								
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> The Company completed negotiations on August 5th 2020 to acquire the remaining 25% of the Bekisopa tenements from Cline Mining and on completion of the transfer of shares AKO will hold 100% of the Bekisopa tenements. <ul style="list-style-type: none"> The AKO Iron Ore projects consist of 12 exploration permits in three geographically distinct areas, and their current good standing (as provided by AKO) is seen in Table 3.1 below, and a legal report has been prepared for AKO. 								
Table 20.1: Licence Details										
Project ID	Tenement Holders	Permit ID	Permit Type	Number of Blocks	Granting Date	Expiry Date	Submission Date	Actual Status	Last Payment of Administration Fees	Date of last Payment
Tratramarina	UEM	16635	PR	144	23/09/2005	22/09/2015	04/09/2015	under renewal process	2018	27/03/2018
	UEM	16637	PR	48	23/09/2005	23/09/2015	04/09/2015	under renewal process	2018	27/03/2018
	UEM	17245	PR	160	10/11/2005	09/11/2015	04/09/2015	under renewal process	2018	27/03/2018
	RAKOTOARISOA	18379	PRE	16	11/01/2006	11/01/2014	27/03/2012	under transformation to PR	2018	27/03/2018
	RAKOTOARISOA	18891	PRE	48	18/11/2005	17/11/2013	27/03/2012	under transformation to PR	2018	27/03/2018
Ambodilafa	MRM	6595	PR	98	20/05/2003	19/05/2013	08/03/2013	under renewal process	2018	27/03/2018
	MRM	13011	PR	33	15/10/2004	14/10/2014	07/08/2014	under renewal process	2018	27/03/2018
	MRM	21910	PR	3	23/09/2005	22/09/2015	12/07/2015	under substance extension and renewal process	2018	27/03/2018
Bekisopa	IOCM	10430	PR	64	04/03/2004	03/03/2014	28/11/2013	under renewal process	2019	28/03/2019
		26532	PR	768	16/10/2007	03/02/2019		relinquished	2016	
		35828	PR	80	16/10/2007	03/02/2019		relinquished	2018	27/03/2018
		27211	PR	128	16/10/2007	23/01/2017	20/01/2017	under renewal process	2018	27/03/2018
		35827	PR	32	23/01/2007	23/01/2017	20/01/2017	under renewal process	2018	27/03/2018
	RAZAFINDRAVOLA	3757	PRE	16	26/03/2001	25/11/2019		Transfer from IOCM Gerant to AKO	2019	28/03/2019
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Exploration has been conducted by UNDP (1976 - 78) and BRGM (1958 - 62). Final reports on both episodes of work are available and have been utilised in the IGR. Airborne magnetics was flown for the government by Fugro and has since been obtained, modelled and interpreted by Cline Mining and AKO. 								
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<p>The tenure was acquired by AKO during 2014 and work since then has consisted of:</p> <ul style="list-style-type: none"> Data compilation and interpretation; Confirmatory rock chip sampling (118 samples) and mapping; Re-interpretation of airborne geophysical data; and Ground magnetic surveying (305 line kilometres). 								

Criteria	JORC Code explanation	Commentary
		<p>There is debate as to which of the following two options the near surface mineralisation is due to:</p> <ol style="list-style-type: none"> 3. Weathering of a typical Algoma style magnetite-quartzite type banded iron formation (BIF); or 4. More closely reflects the actual mineralisation at deeper levels and is only moderately altered by weathering effects, such as converting some of the magnetite to hematite and/or limonite-goethite. <p>The absence of any indication of magnetite-quartzite along the entire 7km strike of the mineralisation, the observation of some primary textures within the massive mineralisation such as bedding and alteration around fractures, and the occurrence of high grade disseminated magnetite mineralisation within amphibolite and calc silicate adjacent to massive magnetite-hematite in BRGM trenches led AKO's consulting geologist, Tony Truelove, to conclude that it is much more likely that option 2 above is the case, and that bands/lenses of massive magnetite-hematite within a lower grade "halo" of disseminated magnetite hosted by amphibolite and calc-silicate, is likely to continue at depth.</p> <p>This provides a large tonnage potential over the 7km strike within the AKO tenement.</p> <ul style="list-style-type: none"> • WAI concurs with this assessment.
<p>Drill hole Information</p>	<ul style="list-style-type: none"> • A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> ○ Easting and northing of the drill hole collar; ○ Elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar; ○ Dip and azimuth of the hole; ○ Down hole length and interception depth; and ○ Hole length. 	<ul style="list-style-type: none"> • The first significant work was undertaken by BGRM during the period 1959 and 1962 and this included good quality geological mapping, geophysical surveying, trenching (4,000m), pitting (564 pits for 1,862m), drilling (22 holes aggregating 572m), petrology and geochemical analysis (2,581 samples). • The second phase of work consisted of infilling the previous BRGM trenching/pitting to about 100m line spacing. A total of 238 pits were excavated for 897 linear metres and 2 additional diamond drill holes for a total of 101m were completed. • Other work is confined to geological mapping, airborne magnetics and radiometrics and ground magnetics and gravity. • A summary of all drilling, trenching and pitting is included in the IGR as Tables 7.1, 7.2 and 7.3 and Figure 7.6. • Drill results are included below:

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	<ul style="list-style-type: none"> If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<table border="1"> <thead> <tr> <th colspan="2">Laborde Madagascar</th> <th colspan="2">UTM (WGS84) Z38S</th> <th rowspan="2">Dip</th> <th rowspan="2">Azimuth</th> <th rowspan="2">Final Depth</th> <th rowspan="2">Company</th> <th rowspan="2">From</th> <th rowspan="2">To</th> <th rowspan="2">Interval</th> <th rowspan="2">% Fe</th> <th rowspan="2">Comments</th> </tr> <tr> <th>Hole Number</th> <th>Northing</th> <th>Easting</th> <th>Northing</th> <th>Easting</th> </tr> </thead> <tbody> <tr> <td>S1</td> <td>497995</td> <td>337550</td> <td>7607876</td> <td>586289</td> <td>-90</td> <td>0</td> <td>54.6 BRGM</td> <td>0</td> <td>3</td> <td>3</td> <td>61</td> <td></td> </tr> <tr> <td>S2</td> <td>498035</td> <td>337450</td> <td>7607957</td> <td>586190</td> <td>-90</td> <td>0</td> <td>53.0 BRGM</td> <td>0</td> <td>4</td> <td>4</td> <td>42</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>5</td> <td>9</td> <td>4</td> <td>29</td> <td></td> </tr> <tr> <td>S3</td> <td>498280</td> <td>338045</td> <td>7608197</td> <td>586787</td> <td>-90</td> <td>0</td> <td>75.5 BRGM</td> <td>1</td> <td>18</td> <td>17</td> <td>37</td> <td></td> </tr> <tr> <td>S4</td> <td>498240</td> <td>337905</td> <td>7608158</td> <td>586647</td> <td>-90</td> <td>0</td> <td>9.3 BRGM</td> <td>0</td> <td>1</td> <td>1</td> <td>54</td> <td></td> </tr> <tr> <td>S4b</td> <td>498240</td> <td>337930</td> <td>7608158</td> <td>586672</td> <td>-90</td> <td>0</td> <td>60.0 BRGM</td> <td>0</td> <td>7</td> <td>7</td> <td>47</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>9</td> <td>19</td> <td>10</td> <td>28</td> <td></td> </tr> <tr> <td>S5</td> <td>499315</td> <td>338050</td> <td>7609232</td> <td>586801</td> <td>-90</td> <td>0</td> <td>61.8 BRGM</td> <td></td> <td></td> <td></td> <td></td> <td>NSI</td> </tr> <tr> <td>S6</td> <td>500575</td> <td>337835</td> <td>7610495</td> <td>586597</td> <td>-90</td> <td>0</td> <td>73.0 BRGM</td> <td></td> <td></td> <td></td> <td></td> <td>NSI</td> </tr> <tr> <td>S10</td> <td>498705</td> <td>337850</td> <td>7608624</td> <td>586596</td> <td>-90</td> <td>0</td> <td>13.1 BRGM</td> <td>0</td> <td>3</td> <td>3</td> <td>51</td> <td></td> </tr> <tr> <td>S11</td> <td>497985</td> <td>337490</td> <td>7607907</td> <td>586230</td> <td>-90</td> <td>0</td> <td>12.4 BRGM</td> <td>0</td> <td>12</td> <td>12</td> <td>56</td> <td></td> </tr> <tr> <td>S12</td> <td>497585</td> <td>338205</td> <td>7607501</td> <td>586941</td> <td>-90</td> <td>0</td> <td>5.0 BRGM</td> <td>0</td> <td>4</td> <td>4</td> <td>65</td> <td></td> </tr> <tr> <td>S13</td> <td>497700</td> <td>338240</td> <td>7607615</td> <td>586977</td> <td>-90</td> <td>0</td> <td>10.5 BRGM</td> <td>0</td> <td>10</td> <td>10</td> <td>59</td> <td></td> </tr> <tr> <td>S14</td> <td>497705</td> <td>338215</td> <td>7607621</td> <td>586952</td> <td>-90</td> <td>0</td> <td>14.5 BRGM</td> <td>0</td> <td>14</td> <td>14</td> <td>61</td> <td></td> </tr> <tr> <td>S15</td> <td>498100</td> <td>338145</td> <td>7608016</td> <td>586886</td> <td>-90</td> <td>0</td> <td>6.6 BRGM</td> <td>1</td> <td>6</td> <td>5</td> <td>45</td> <td></td> </tr> <tr> <td>S16</td> <td>498140</td> <td>338040</td> <td>7607057</td> <td>586781</td> <td>-90</td> <td>0</td> <td>6.3 BRGM</td> <td>0</td> <td>6</td> <td>6</td> <td>62</td> <td></td> </tr> <tr> <td>S16b</td> <td>498140</td> <td>338015</td> <td>7607057</td> <td>586756</td> <td>-90</td> <td>0</td> <td>19.6 BRGM</td> <td>0</td> <td>19</td> <td>19</td> <td>65</td> <td></td> </tr> <tr> <td>S17</td> <td>498190</td> <td>338070</td> <td>7608107</td> <td>586811</td> <td>-90</td> <td>0</td> <td>12.9 BRGM</td> <td>0</td> <td>13</td> <td>13</td> <td>64</td> <td></td> </tr> <tr> <td>S18</td> <td>498190</td> <td>338100</td> <td>7608107</td> <td>586842</td> <td>-90</td> <td>0</td> <td>17.0 BRGM</td> <td>0</td> <td>15</td> <td>15</td> <td>65</td> <td></td> </tr> <tr> <td>S19</td> <td>498185</td> <td>338115</td> <td>7608101</td> <td>586857</td> <td>-90</td> <td>0</td> <td>15.5 BRGM</td> <td>0</td> <td>15</td> <td>15</td> <td>64</td> <td></td> </tr> <tr> <td>S20</td> <td>498175</td> <td>338150</td> <td>7608092</td> <td>586892</td> <td>-90</td> <td>0</td> <td>11.4 BRGM</td> <td>0</td> <td>11</td> <td>11</td> <td>65</td> <td></td> </tr> <tr> <td>S21</td> <td>498270</td> <td>338195</td> <td>7608186</td> <td>586937</td> <td>-90</td> <td>0</td> <td>5.0 BRGM</td> <td>0</td> <td>4</td> <td>4</td> <td>61</td> <td></td> </tr> <tr> <td>S22</td> <td>498250</td> <td>338160</td> <td>7608166</td> <td>586902</td> <td>-90</td> <td>0</td> <td>17.0 BRGM</td> <td>0</td> <td>16</td> <td>16</td> <td>65</td> <td></td> </tr> <tr> <td>S23</td> <td>498255</td> <td>338115</td> <td>7608171</td> <td>586857</td> <td>-90</td> <td>0</td> <td>19.0 BRGM</td> <td>0</td> <td>18</td> <td>18</td> <td>65</td> <td></td> </tr> <tr> <td>S24</td> <td>498958</td> <td>337608</td> <td>7608879</td> <td>586356</td> <td>-90</td> <td>0</td> <td>55.0 UNDP</td> <td>0</td> <td>3</td> <td>3</td> <td>43</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>11</td> <td>14</td> <td>3</td> <td>25</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>16</td> <td>31</td> <td>15</td> <td>28</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>32</td> <td>34</td> <td>2</td> <td>28</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>39</td> <td>47</td> <td>8</td> <td>21</td> <td></td> </tr> <tr> <td>S25</td> <td>497577</td> <td>337616</td> <td>7607498</td> <td>586352</td> <td>-90</td> <td>0</td> <td>46.0 UNDP</td> <td>9</td> <td>28</td> <td>19</td> <td>37</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>29</td> <td>39</td> <td>10</td> <td>31</td> <td></td> </tr> </tbody> </table>	Laborde Madagascar		UTM (WGS84) Z38S		Dip	Azimuth	Final Depth	Company	From	To	Interval	% Fe	Comments	Hole Number	Northing	Easting	Northing	Easting	S1	497995	337550	7607876	586289	-90	0	54.6 BRGM	0	3	3	61		S2	498035	337450	7607957	586190	-90	0	53.0 BRGM	0	4	4	42										5	9	4	29		S3	498280	338045	7608197	586787	-90	0	75.5 BRGM	1	18	17	37		S4	498240	337905	7608158	586647	-90	0	9.3 BRGM	0	1	1	54		S4b	498240	337930	7608158	586672	-90	0	60.0 BRGM	0	7	7	47										9	19	10	28		S5	499315	338050	7609232	586801	-90	0	61.8 BRGM					NSI	S6	500575	337835	7610495	586597	-90	0	73.0 BRGM					NSI	S10	498705	337850	7608624	586596	-90	0	13.1 BRGM	0	3	3	51		S11	497985	337490	7607907	586230	-90	0	12.4 BRGM	0	12	12	56		S12	497585	338205	7607501	586941	-90	0	5.0 BRGM	0	4	4	65		S13	497700	338240	7607615	586977	-90	0	10.5 BRGM	0	10	10	59		S14	497705	338215	7607621	586952	-90	0	14.5 BRGM	0	14	14	61		S15	498100	338145	7608016	586886	-90	0	6.6 BRGM	1	6	5	45		S16	498140	338040	7607057	586781	-90	0	6.3 BRGM	0	6	6	62		S16b	498140	338015	7607057	586756	-90	0	19.6 BRGM	0	19	19	65		S17	498190	338070	7608107	586811	-90	0	12.9 BRGM	0	13	13	64		S18	498190	338100	7608107	586842	-90	0	17.0 BRGM	0	15	15	65		S19	498185	338115	7608101	586857	-90	0	15.5 BRGM	0	15	15	64		S20	498175	338150	7608092	586892	-90	0	11.4 BRGM	0	11	11	65		S21	498270	338195	7608186	586937	-90	0	5.0 BRGM	0	4	4	61		S22	498250	338160	7608166	586902	-90	0	17.0 BRGM	0	16	16	65		S23	498255	338115	7608171	586857	-90	0	19.0 BRGM	0	18	18	65		S24	498958	337608	7608879	586356	-90	0	55.0 UNDP	0	3	3	43										11	14	3	25										16	31	15	28										32	34	2	28										39	47	8	21		S25	497577	337616	7607498	586352	-90	0	46.0 UNDP	9	28	19	37										29	39	10	31	
Laborde Madagascar		UTM (WGS84) Z38S		Dip	Azimuth	Final Depth										Company	From	To	Interval	% Fe	Comments																																																																																																																																																																																																																																																																																																																																																																																																																		
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S1	497995	337550	7607876	586289	-90	0	54.6 BRGM	0	3	3	61																																																																																																																																																																																																																																																																																																																																																																																																																												
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S3	498280	338045	7608197	586787	-90	0	75.5 BRGM	1	18	17	37																																																																																																																																																																																																																																																																																																																																																																																																																												
S4	498240	337905	7608158	586647	-90	0	9.3 BRGM	0	1	1	54																																																																																																																																																																																																																																																																																																																																																																																																																												
S4b	498240	337930	7608158	586672	-90	0	60.0 BRGM	0	7	7	47																																																																																																																																																																																																																																																																																																																																																																																																																												
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S15	498100	338145	7608016	586886	-90	0	6.6 BRGM	1	6	5	45																																																																																																																																																																																																																																																																																																																																																																																																																												
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S20	498175	338150	7608092	586892	-90	0	11.4 BRGM	0	11	11	65																																																																																																																																																																																																																																																																																																																																																																																																																												
S21	498270	338195	7608186	586937	-90	0	5.0 BRGM	0	4	4	61																																																																																																																																																																																																																																																																																																																																																																																																																												
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S24	498958	337608	7608879	586356	-90	0	55.0 UNDP	0	3	3	43																																																																																																																																																																																																																																																																																																																																																																																																																												
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Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such 	<ul style="list-style-type: none"> No cuts were used as iron is a bulk commodity. 																																																																																																																																																																																																																																																																																																																																																																																																																																					

Criteria	JORC Code explanation	Commentary
	<p><i>aggregations should be shown in detail.</i></p> <ul style="list-style-type: none"> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> The drilling is all vertical and often ended in mineralisation. Iron mineralisation dips moderately (40° to 60°) to the west and hence any whole intervals will be exaggerated. This is not of concern as no whole intervals have been intercepted. The trenching was sampled horizontally and mineralisation dips moderately west hence true thickness will be exaggerated by 10 - 50%. The pits show an interpreted width by their iron grade. This width will be exaggerated by 10 - 50% (possibly more in the far south where dip is unknown but could be shallow).
Diagrams	<ul style="list-style-type: none"> <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> Shown in text of IGR, see Figure 7.6 for overview. Figure below shows 30° to 60° westerly dip and relationship of massive and disseminated magnetite bands.

Criteria	JORC Code explanation	Commentary
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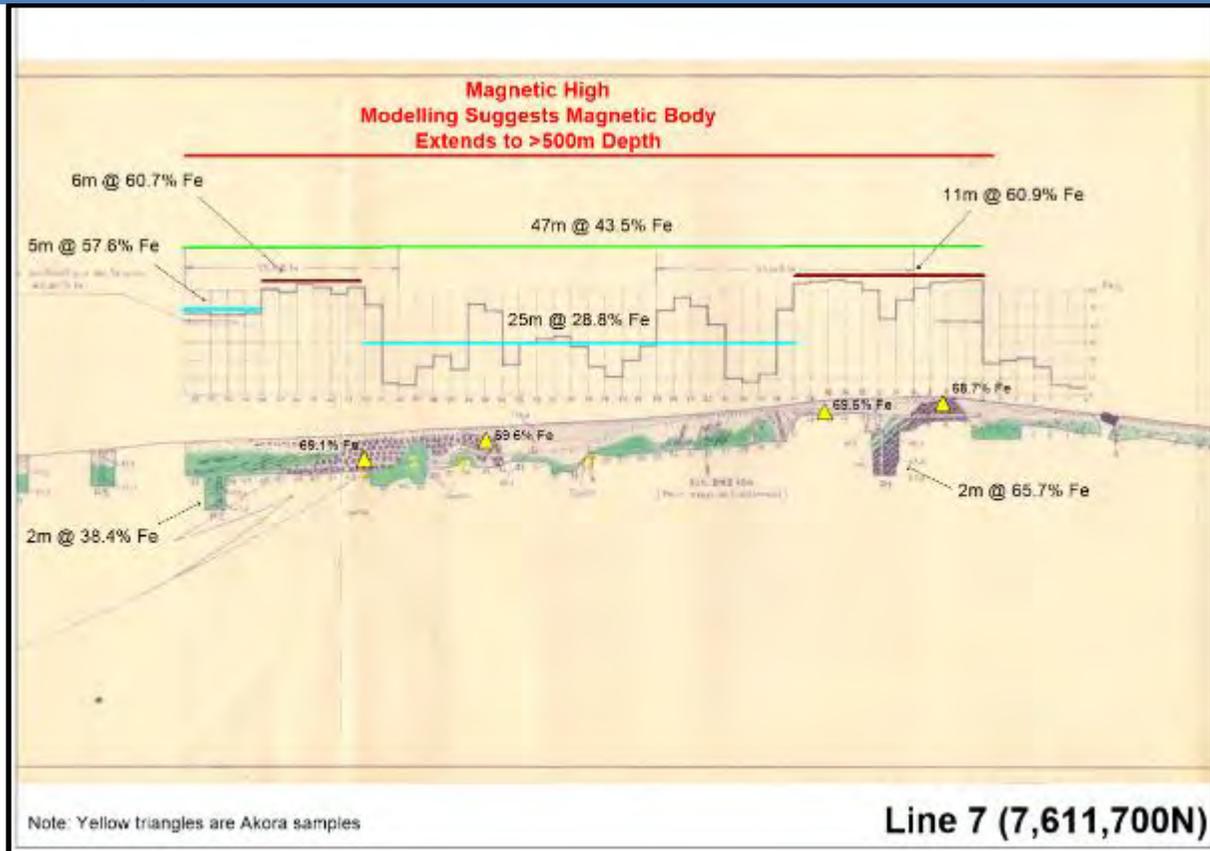
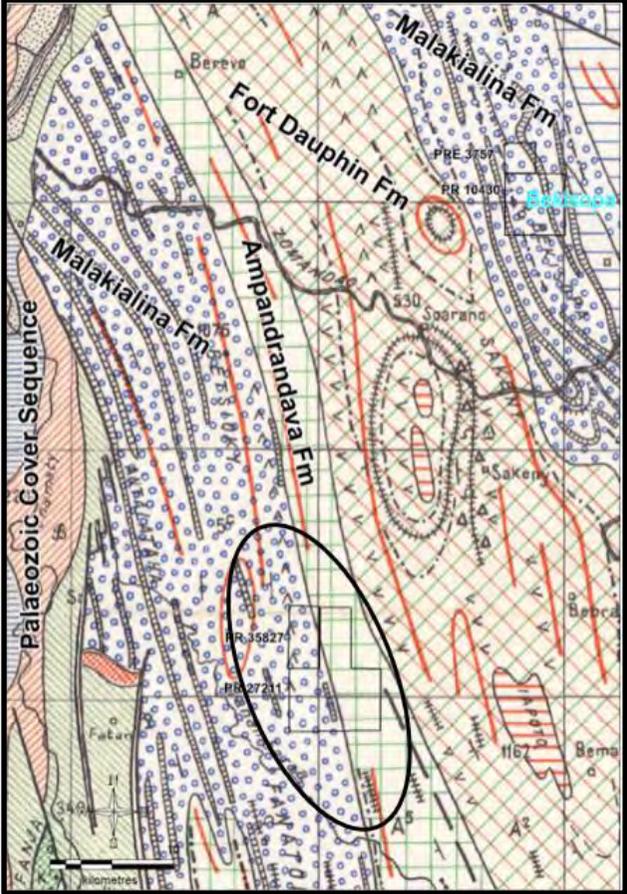


Figure 20.1: BRGM Trench 7
Note Significant Disseminated Magnetite Mineralisation (Blue Lines)
Adjacent to Massive Magnetite-Hematite Bands (Brown Lines)

Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low 	<ul style="list-style-type: none"> All drill intercepts shown above. Figure 7.21 in IGR shows contour of plus 60% Fe in surficial mineralisation.
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Criteria	JORC Code explanation	Commentary
	<i>and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	
Other substantive exploration data	<ul style="list-style-type: none"> <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> AKO has completed ground geophysical surveys using international suppliers.
Further work	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> A programme of RC drilling (or diamond drilling depending on access/cost) is proposed to test the main magnetic anomaly and mapped iron mineralisation at Bekisopa. The main aim is to test for down dip potential of the known high-grade surface mineralisation, based on a combination of mapping, trench/pit sampling and ground magnetic surveying. A programme has also been designed to test the near surface mineralisation but that is proposed as the Phase 2 programme once depth continuity has been established. The Phase 2 programme should enable a JORC Mineral Resource Estimate for the near surface mineralisation. An initial programme of 1,000m drilling is proposed, but this may be prioritised to an initial 700m as noted below in Table 7.6, and Figure 7.23.

Criteria	JORC Code explanation	Commentary																																																																													
		<p style="text-align: center;">Table 20.2: Planned Drill Holes</p> <table border="1"> <thead> <tr> <th>Hole Number</th> <th>Northing (WGS84)</th> <th>Easting (WGS84)</th> <th>Declination (degrees)</th> <th>Azimuth (degrees)</th> <th>Final Depth (m)</th> <th>Priority</th> </tr> </thead> <tbody> <tr> <td>IPBEKRC1</td> <td>7,611,700</td> <td>586,160</td> <td>-60</td> <td>090</td> <td>100</td> <td>1</td> </tr> <tr> <td>IPBEKRC2</td> <td>7,611,000</td> <td>586,350</td> <td>-60</td> <td>090</td> <td>100</td> <td>2</td> </tr> <tr> <td>IPBEKRC3</td> <td>7,610,800</td> <td>586,450</td> <td>-60</td> <td>090</td> <td>120</td> <td>2</td> </tr> <tr> <td>IPBEKRC4</td> <td>7,610,800</td> <td>586,550</td> <td>-60</td> <td>090</td> <td>80</td> <td>2</td> </tr> <tr> <td>IPBEKRC5</td> <td>7,609,300</td> <td>586,700</td> <td>-60</td> <td>090</td> <td>80</td> <td>1</td> </tr> <tr> <td>IPBEKRC6</td> <td>7,609,300</td> <td>586,800</td> <td>-60</td> <td>090</td> <td>120</td> <td>1</td> </tr> <tr> <td>IPBEKRC7</td> <td>7,608,150</td> <td>586,750</td> <td>-60</td> <td>090</td> <td>100</td> <td>1</td> </tr> <tr> <td>IPBEKRC8</td> <td>7,608,150</td> <td>586,800</td> <td>-60</td> <td>090</td> <td>100</td> <td>1</td> </tr> <tr> <td>IPBEKRC9</td> <td>7,608,150</td> <td>586,850</td> <td>-60</td> <td>090</td> <td>100</td> <td>1</td> </tr> <tr> <td>IPBEKRC10</td> <td>7,607,600</td> <td>586,925</td> <td>-60</td> <td>090</td> <td>100</td> <td>1</td> </tr> </tbody> </table> <ul style="list-style-type: none"> It is proposed to conduct ground magnetics, to define magnetic anomalies, and associated geological mapping and rock chip sampling over the highest priority targets (see oval in Figure below) in the AKO regional exploration tenements, in the Bekisopa district. 	Hole Number	Northing (WGS84)	Easting (WGS84)	Declination (degrees)	Azimuth (degrees)	Final Depth (m)	Priority	IPBEKRC1	7,611,700	586,160	-60	090	100	1	IPBEKRC2	7,611,000	586,350	-60	090	100	2	IPBEKRC3	7,610,800	586,450	-60	090	120	2	IPBEKRC4	7,610,800	586,550	-60	090	80	2	IPBEKRC5	7,609,300	586,700	-60	090	80	1	IPBEKRC6	7,609,300	586,800	-60	090	120	1	IPBEKRC7	7,608,150	586,750	-60	090	100	1	IPBEKRC8	7,608,150	586,800	-60	090	100	1	IPBEKRC9	7,608,150	586,850	-60	090	100	1	IPBEKRC10	7,607,600	586,925	-60	090	100	1
Hole Number	Northing (WGS84)	Easting (WGS84)	Declination (degrees)	Azimuth (degrees)	Final Depth (m)	Priority																																																																									
IPBEKRC1	7,611,700	586,160	-60	090	100	1																																																																									
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IPBEKRC3	7,610,800	586,450	-60	090	120	2																																																																									
IPBEKRC4	7,610,800	586,550	-60	090	80	2																																																																									
IPBEKRC5	7,609,300	586,700	-60	090	80	1																																																																									
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IPBEKRC7	7,608,150	586,750	-60	090	100	1																																																																									
IPBEKRC8	7,608,150	586,800	-60	090	100	1																																																																									
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Criteria	JORC Code explanation	Commentary
		 <p data-bbox="1227 1181 1765 1251">Figure: Geological Map of the Bekisopa Area Licences shown as Black Outlines</p>

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in Section 1, and where relevant in Section 2, also apply to this section)

Criteria	JORC Code explanation	Commentary
Database integrity	<ul style="list-style-type: none"> Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. Data validation procedures used. 	<ul style="list-style-type: none"> The geological data available has been checked, but no database has been constructed due to lack of applicable data. Drill collars and results are shown in the table above.
Site visits	<ul style="list-style-type: none"> Comment on any site visits undertaken by the Competent Person and the outcome of those visits. If no site visits have been undertaken indicate why this is the case. 	<ul style="list-style-type: none"> A WAI Geologist visited in 2017, and Mr Tony Truelove visited in 2019.
Geological interpretation	<ul style="list-style-type: none"> Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. Nature of the data used and of any assumptions made. The effect, if any, of alternative interpretations on Mineral Resource estimation. The use of geology in guiding and controlling Mineral Resource estimation. The factors affecting continuity both of grade and geology. 	<p>There is debate as to which of the following 2 Options the near surface mineralisation is due to:</p> <ol style="list-style-type: none"> Weathering of a more typical magnetite-quartzite type banded iron formation (BIF); or More closely reflects the actual mineralisation at deeper levels and is only moderately altered by weathering effects, such as converting some of the magnetite to hematite and/or limonite-goethite. <p>The absence of any indication of magnetite-quartzite along the entire 7km strike of the mineralisation, the observation of some primary textures within the massive mineralisation such as bedding and alteration around fractures, and the occurrence of high grade disseminated magnetite mineralisation within amphibolite and calc silicate adjacent to massive magnetite-hematite in BRGM trenches led AKO's consulting geologist, Tony Truelove, to conclude that it is more likely that option 2 above is the case, and that bands of massive magnetite-hematite within a lower grade "halo" of disseminated magnetite within amphibolite and calc-silicate, is likely to continue at depth.</p>

Criteria	JORC Code explanation	Commentary
Dimensions	<ul style="list-style-type: none"> The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource. 	<ul style="list-style-type: none"> This provides a large tonnage potential over the 7km strike within the AKO tenement.
Estimation and modelling techniques	<ul style="list-style-type: none"> The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. The assumptions made regarding recovery of by-products. Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation). In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. Any assumptions behind modelling of selective mining units. Any assumptions about correlation between variables. Description of how the geological interpretation was used to control the resource estimates. Discussion of basis for using or not using grade cutting or capping. The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available. 	<ul style="list-style-type: none"> No MRE has been completed
Moisture	<ul style="list-style-type: none"> Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content. 	<ul style="list-style-type: none"> Not Applicable

Criteria	JORC Code explanation	Commentary
Cut-off parameters	<ul style="list-style-type: none"> The basis of the adopted cut-off grade(s) or quality parameters applied. 	<ul style="list-style-type: none"> Not Applicable
Mining factors or assumptions	<ul style="list-style-type: none"> Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made. 	<ul style="list-style-type: none"> Not Applicable
Metallurgical factors or assumptions	<ul style="list-style-type: none"> The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made. 	<ul style="list-style-type: none"> Not Applicable
Environmental factors or assumptions	<ul style="list-style-type: none"> Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made. 	<ul style="list-style-type: none"> Not Applicable

Criteria	JORC Code explanation	Commentary
Bulk density	<ul style="list-style-type: none"> Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. Discuss assumptions for bulk density estimates used in the evaluation process of the different materials. 	<ul style="list-style-type: none"> Not Applicable
Classification	<ul style="list-style-type: none"> The basis for the classification of the Mineral Resources into varying confidence categories. Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). Whether the result appropriately reflects the Competent Person's view of the deposit. 	<ul style="list-style-type: none"> Not Applicable
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of Mineral Resource estimates. 	<ul style="list-style-type: none"> Not Applicable
Discussion of relative accuracy/confidence	<ul style="list-style-type: none"> Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic 	<ul style="list-style-type: none"> Not Applicable

Criteria	JORC Code explanation	Commentary
	<p><i>evaluation. Documentation should include assumptions made and the procedures used.</i></p> <ul style="list-style-type: none">• <i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i>	

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral Resource estimate for conversion to Ore Reserves</i>	<ul style="list-style-type: none"> • Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve. • Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves. 	<ul style="list-style-type: none"> • Not Applicable
<i>Site visits</i>	<ul style="list-style-type: none"> • Comment on any site visits undertaken by the Competent Person and the outcome of those visits. • If no site visits have been undertaken indicate why this is the case. 	<ul style="list-style-type: none"> • Not Applicable
<i>Study status</i>	<ul style="list-style-type: none"> • The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves. • The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered. 	<ul style="list-style-type: none"> • Not Applicable
<i>Cut-off parameters</i>	<ul style="list-style-type: none"> • The basis of the cut-off grade(s) or quality parameters applied. 	<ul style="list-style-type: none"> • Not Applicable
<i>Mining factors or assumptions</i>	<ul style="list-style-type: none"> • The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design). • The choice, nature and appropriateness of the selected mining method(s) and other mining 	<ul style="list-style-type: none"> • Not Applicable

Criteria	JORC Code explanation	Commentary
	<p><i>parameters including associated design issues such as pre-strip, access, etc.</i></p> <ul style="list-style-type: none"> • <i>The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.</i> • <i>The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).</i> • <i>The mining dilution factors used.</i> • <i>The mining recovery factors used.</i> • <i>Any minimum mining widths used.</i> • <i>The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.</i> • <i>The infrastructure requirements of the selected mining methods.</i> 	
<p><i>Metallurgical factors or assumptions</i></p>	<ul style="list-style-type: none"> • <i>The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.</i> • <i>Whether the metallurgical process is well-tested technology or novel in nature.</i> • <i>The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.</i> • <i>Any assumptions or allowances made for deleterious elements.</i> • <i>The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.</i> • <i>For minerals that are defined by a specification, has the ore reserve estimation been based on the</i> 	<ul style="list-style-type: none"> • Not Applicable

Criteria	JORC Code explanation	Commentary
	<i>appropriate mineralogy to meet the specifications?</i>	
<i>Environmental</i>	<ul style="list-style-type: none"> The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported. 	<ul style="list-style-type: none"> Not Applicable
<i>Infrastructure</i>	<ul style="list-style-type: none"> The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed. 	<ul style="list-style-type: none"> The project is remote, however, infrastructure studies have been completed on the project.
<i>Costs</i>	<ul style="list-style-type: none"> The derivation of, or assumptions made, regarding projected capital costs in the study. The methodology used to estimate operating costs. Allowances made for the content of deleterious elements. The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co-products. The source of exchange rates used in the study. Derivation of transportation charges. The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc. The allowances made for royalties payable, both Government and private. 	<ul style="list-style-type: none"> Not Applicable
<i>Revenue factors</i>	<ul style="list-style-type: none"> The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation 	<ul style="list-style-type: none"> Not Applicable

Criteria	JORC Code explanation	Commentary
	<p><i>and treatment charges, penalties, net smelter returns, etc.</i></p> <ul style="list-style-type: none"> • <i>the derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.</i> 	
Market assessment	<ul style="list-style-type: none"> • <i>The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.</i> • <i>A customer and competitor analysis along with the identification of likely market windows for the product.</i> • <i>Price and volume forecasts and the basis for these forecasts.</i> • <i>For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.</i> 	<ul style="list-style-type: none"> • Not Applicable
Economic	<ul style="list-style-type: none"> • <i>The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.</i> • <i>NPV ranges and sensitivity to variations in the significant assumptions and inputs.</i> 	<ul style="list-style-type: none"> • Not Applicable
Social	<ul style="list-style-type: none"> • <i>The status of agreements with key stakeholders and matters leading to social licence to operate.</i> 	<ul style="list-style-type: none"> • Not Applicable
Other	<ul style="list-style-type: none"> • <i>To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:</i> • <i>Any identified material naturally occurring risks.</i> • <i>The status of material legal agreements and marketing arrangements.</i> • <i>The status of governmental agreements and</i> 	<ul style="list-style-type: none"> • Not Applicable

Criteria	JORC Code explanation	Commentary
	<p><i>approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.</i></p>	
Classification	<ul style="list-style-type: none"> • <i>The basis for the classification of the Ore Reserves into varying confidence categories.</i> • <i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i> • <i>The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).</i> 	<ul style="list-style-type: none"> • Not Applicable
Audits or reviews	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of Ore Reserve estimates.</i> 	<ul style="list-style-type: none"> • Not Applicable
Discussion of relative accuracy/confidence	<ul style="list-style-type: none"> • <i>Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.</i> • <i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation</i> 	<ul style="list-style-type: none"> • Not Applicable

Criteria	JORC Code explanation	Commentary
	<p><i>should include assumptions made and the procedures used.</i></p> <ul style="list-style-type: none">• <i>Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.</i>• <i>It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i>	

21 REFERENCES

- BEKISOPA GROUND MAGNETIC SURVEY SUMMARY PR.pdf, T Truelove, 2019;
- BEKISOPA GROUND MAGNETIC SURVEY SUMMARY Tech.pdf, T Truelove, 2019;
- Bekisopa Project Assessment & Review AJT2019 V2.pdf, T Truelove, 2019;
- Ground Mag Phase 2 Proposal.pdf, T Truelove, 2019;
- Phase 1 Drilling Proposal.pdf, T Truelove, 2019;
- Competent Person Technical Report on the Indian Pacific Resources Ltd Iron Ore Projects, Madagascar, Wardell Armstrong International, 2017;
- BRGM report of completion of work at Bekisopa English Translation.docx, BGM, 1962;
- UNDP STUDY OF THE IRON DEPOSIT OF BEKISOPA English Translation, 1978;
- Madagascar Mining Code.pdf;
- BRGM-62-TAN-A-11.pdf, 1962;
- BRGM-62-TAN-A-11b.pdf;
- BRGM-62-TAN-A-11c.pdf, 1960;
- BRGM-62-TAN-A-11d.pdf;
- Etude de gisement de fer de Beskisopa.pdf, 1978;
- EIE_bekisopa_final.pdf, 2014;
- Hydrology_eport_IOCM_translated from ENG version.pdf;
- Rapport_Hydrologie)IOCM.pdf; and
- UNDP pp.pdf.

22 APPENDIX 4:

“STUDY OF THE IRON DEPOSIT OF BEKISOPA, Preliminary technical report, Prepared for the Malagasy Government, By the United Nations development programme”

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Schedule 2 - Solicitor's Tenement Report

10 November 2020

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Solicitors Tenement Report (the "Report") for:

Iron Ore Corporation of Madagascar Sarl ("IOCM")

Universal Exploration Madagascar Sarl ("UEM")

Mineral Resources Madagascar Sarl ("MRM")

Dear Sirs

This legal audit of IOCM, UEM and MRM (individually a "**Relevant Company**" and together the "**Relevant Companies**") has been carried out by John W. Ffooks & Co at the request of AKORA Resources Limited ("**Company**").

The Relevant Companies hold *Permis de Recherche* (the "**Exploration Permits**" or "**PRs**") as described in this Report in their own right.

IOCM and UEM have the benefit of *Permis Reservés aux Petits Exploitants* (the "**PREs**") as described in this Report, which must be held in the name of Malagasy nationals, through permit sale & purchase agreements and transfers of equitable interest documentation.

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We have been requested to issue this Report on the good standing of the Exploration Permits and PRE's held by the Relevant Companies for inclusion in the prospectus ("**Prospectus**") to be issued by the Company in connection with its proposed listing on the Australian Securities Exchange.

IOCM holds four Exploration Permits and the beneficial interest in a PRE in respect of a project in Madagascar known as "Bekisopa" and UEM holds three Exploration Permits and the beneficial interest in two PREs in respect of a project in Madagascar known as "Tratramarina". IOCM and UEM are both ultimately owned by the Company.

The Company holds contractual rights only via a farm in agreement in respect of three Exploration Permits held by a third party, MRM, for the project in Madagascar known as "Ambodilafa".

The opinions expressed in this Report are correct as of 20 October 2020 and are subject to the caveats contained herein.

1 Purpose

This Report covers the following items:

- (a) Conclusions and Opinions;
- (b) Relevant laws;
- (c) Legal review;
- (d) Applicable law;
- (e) Assumptions, Qualifications and Limitations;
- (f) Good standing and status of the Exploration Permits and the PREs; and
- (g) Schedules.

2 Conclusions and Opinions

- 2.1 The Exploration Permits are duly registered in the name of IOCM, UEM and MRM and the PREs in the names of Rakotoarisoa Joseph André and Razafindravola Marie Hélène (both Malagasy nationals) and are in good standing.
- 2.2 The annual administrative fees for 2019 for IOCM Exploration Permit 10430 and PRE 3757 (both relating to Bekisopa) have been paid. IOCM has tendered payment in respect of the annual administrative fees for 2019 for IOCM Exploration Permits 27211 and 35827 (all relating to Bekisopa) which has not at this time been accepted by the Bureau du Cadastre Minier de Madagascar (BCMM).
- 2.3 Notices in relation to the annual administration fees for 2019 for UEM and MRM and the annual administration fees for 2020 for IOCM, UEM and MRM have not been issued by the BCMM. We



- understand that a majority of the mining sector is waiting for BCMM to issue notices in relation to annual administration fees as at this date.
- 2.4 The Relevant Companies have submitted applications for renewal of their Exploration Permits and the transformation of their PREs to Exploration Permits (enabling them to be registered in the names of the Relevant Companies) and these are in progress at the BCMM. Notwithstanding the fact the Relevant Companies are waiting for the administrative processes to be completed, the Exploration Permits are validly registered in the names of the Relevant Companies and the transformations of the PREs to Exploration Permits are validly registered in the names of IOCM and UEM.
 - 2.5 The Exploration Permits are correctly registered at the BCMM in the name of the Relevant Companies and the Relevant Companies are able to exploit them freely without reference to any other party.
 - 2.6 All the required documentation has been lodged and has been accepted by the BCMM and the Relevant Companies are able to exploit the Exploration Permits freely (subject always to the provisions of the Mining Code, and the environmental permitting process).
 - 2.7 In terms of the procedure involved in the renewal process, after the application file has been lodged by a company and processed by the BCMM, it is subsequently sent to the Ministry of Mines which, according to the Application Decree to the Mining Code, should make a decision within 30 business days from the date of submission of the renewal request at the BCMM. The decision of the Ministry of Mines is sent back to the BCMM and is then published in the Government Gazette. At the current time, this timeframe is not being respected. However, Malagasy administrative law states that where a private party has complied with its obligations in good faith and the state (in this case the BCMM and Ministry of Mines) is found wanting, the private party may rely on its existing rights and there is an assumption that these will continue to subsist in the absence of justified refusal. Moreover, submission of the environmental impact assessment (EIA) and application for an Environmental Commitment Plan for a Minimal Impact Exploration Permits (PEE-RIM) has been made by IOCM. All required documents have been submitted within the timeline.
 - 2.8 Relevant environmental permits (PEE-RIM) are held for the UEM and MRM permits which allows drilling with certain restrictions.
 - 2.9 Relevant environmental permits (PEE-RIM) have been applied for in respect of the IOCM permits. This is a simple procedural filing which is not subject to the delays in permit renewal/transfer. Upon updating and reissuing the PEE-RIM application it is expected that these will be issued within approximately sixty (60) days of filing and allow drilling immediately once issued.
 - 2.10 The Relevant Companies are liable for the payment of fees, environmental liabilities during exploration and mining activity on the permit areas, for communication with the BCMM and the upkeep of the Exploration Permits in general.
 - 2.11 The titles of the Relevant Companies to the Exploration Permits will not be affected by any change to its parent company's shareholding.



- 2.12 IOCM and UEM and their representatives hold all relevant powers to enter into all documentation in relation to the acquisition of the PREs.
- 2.13 The acquisition of PRE 3757 (the only PRE for Bekisopa) is correctly registered at the BCMM in the name of Razafindravola Marie Hélène and is currently in full force and effect. The acquisition was structured in such a manner that Randriamananjara Santatriniaina, an employee of the Company at the date of acquisition, entered into Permit Sale & Purchase Agreement with Razafindravola Marie Hélène to acquire the PRE with IOCM funding the acquisition. Simultaneously, IOCM and Randriamananjara Santatriniaina executed a Deed of Equitable Interest whereby Randriamananjara Santatriniaina agreed to hold PRE 3757 on trust for IOCM and agreed to undertake all necessary actions in order to transform the PRE into an Exploration Permit and transfer the Exploration Permit to IOCM. The effect of the Deed of Equitable Interest is to give IOCM full and unfettered access to the area the subject of the PRE and to carry out exploration. IOCM is able to explore by reference to the PRE freely (including conducting drilling).
- 2.14 The two PREs acquired by UEM (the only PREs for the Tratramarina Project) are correctly registered at the BCMM in the name of and are currently in full force and effect. UEM entered into a Permit Sale & Purchase Agreement with Rakotoarisoa Joseph André and simultaneously a Deed of Equitable Interest whereby Randriamananjara Santatriniaina agreed to hold PRE 18379 and 18891 on trust for UEM and agreed to undertake all necessary actions in order to transform the PREs into Exploration Permits and transfer the Exploration Permit to UEM. The effect of the Deed of Equitable Interest is to give UEM full and unfettered access to the area the subject of the PREs and to carry out exploration, including drilling. UEM is able to explore by reference to the PREs freely.
- 2.15 IOCM and UEM are in possession of the original PREs.
- 2.16 The transformation applications for the conversion of the PREs to Exploration Permits has been correctly submitted at the BCMM and the applicable BCMM protocol in respect of this procedure was correctly followed as evidenced by the acknowledgement of receipts. The transformation process is ongoing at the BCMM as are the transformation processes for all foreign entities who have acquired PREs for upgrading to Exploration Permits.
- 2.17 Where compliance with the BCMM or statutory requirements necessary to maintain the Exploration Permits in good standing is not disclosed on the face of the documents referred to above, unless the non-compliance has come to our attention as a result of our investigations, we express no opinion on that compliance or permit. We have made reasonable and diligent enquiries to ensure that matters that should have come to our attention have done so.
- 2.18 After due enquiry, we are not aware of any material adverse change has taken place since the execution of the documents listed in this opinion, which would affect, undermine or otherwise alter their validity.



3 Relevant laws

In issuing this Report, we have made particular reference to the following laws and decrees:

- 3.1 Law No. 2005-021 dated 17 October 2005, which amends the Law No. 99-022 dated 19 August 1999 (the "**Mining Code**").
- 3.2 Decree No. 2006-910 dated 19 December 2006 implementing the Mining Code;
- 3.3 Law No. 2001-031 dated 08 October 2002, establishing a *Loi pour les Grands Investissements dans le Secteur Minier Malagasy* (the Large Mining Investment Code or the "**LGIM**").
- 3.4 Decree No. 2003-784 dated 8 July 2003 implementing the LGIM and amendment published under Decree No. 2005-476 dated 13 July 2005.
- 3.5 Decree No. 99-954 dated 15 December 1999 amended by Decree No. 2004-167 of 3 February 2004 relating to the compatibility of investments with the environment (the "**MECIE Decree**").
- 3.6 Law No. 2015-003 dated 20 January 2015 relating to the Environmental Charter.
- 3.7 Law No. 96-025 dated 30 September 1996 relating to the local management of renewable natural resources.
- 3.8 Law No. 2015-005 dated 26 February 2015 including the Protected Areas Management Code and its subsequent texts,

(together the "**Laws**")

4 Legal Review

- 4.1 For the purpose of issuing this Report we have reviewed and relied upon only the documents listed in Schedule 1 (the "**Relevant Documents**") (either in the original or in the form of a copy) and completed only the searches and enquiries referred to in Schedule 2 to this Report. In particular, we have not examined any documents (other than the Relevant Documents) referred to in or incorporated by reference (whether in whole or in part) in the Relevant Documents, or any other person or any corporate records or constitutional documents of the aforesaid, and this Report is confined to the Relevant Documents only and no opinions are expressed as to any other agreements or documents.
- 4.2 The opinions given in this Report are strictly limited to the matters stated in Sections 2 and 5 and Parts 1, 2 and 3 and do not extend, whether, expressly, impliedly, tacitly or otherwise, to any other matters.
- 4.3 We have not made searches and enquiries other than the Searches and Enquiries listed in Schedule 2 of this Report.



- 4.4 Insofar as we examined originals, we assume that these have been correctly executed and in respect of copies of such originals we assume that any such copies are true and accurate copies.
- 4.5 We assume that the parties took steps by resolution or otherwise to ensure that their signature of the documents executed during the course of the transaction constitutes a valid, legally binding and enforceable obligation on it under the laws by which each are expressed to be governed.
- 4.6 That no material adverse change has taken place since the execution of the documents, which would affect, undermines or otherwise alters their validity.

5 **Applicable Law**

- 5.1 This Report and the opinions given in it are governed by Malagasy law and relates only to Malagasy law as applied by the Malagasy courts as at the date of this Report (and expressly excluding unpublished case law). To the extent any opinion expressed in this Report relates to a future event, it is expressed on the assumption that Malagasy law will remain the same on any relevant future date as that in existence as at the date of this Report and accordingly, no opinion is given that the future or continued performance of the obligations of any of the parties to the Relevant Documents or the consummation of the transactions contemplated in any of the Relevant Documents will not contravene Malagasy law if such law is altered. We express no opinion in this on the laws of any other jurisdiction and no opinion on matters of fact.
- 5.2 To the extent to which any obligation under any Relevant Document is to be governed by the laws of any jurisdiction other than Madagascar and/or is to be performed in any jurisdiction other than Madagascar, we have made no independent investigation thereof and our opinion is subject to the effect of such laws and we have assumed that the parties' obligations in the Relevant Documents will be legal, valid, binding and enforceable under the laws of that jurisdiction and that its performance will not violate public policy of any jurisdiction.

5.3 **Environmental Law**

- 5.3.1 Law no. 99-022 of 19 August 1999, incorporating the Mining Code, as amended by law 025/2005 of 13 July 2005 and Decree no. 2006-910, as amended, sets out the technical details for the implementation of the Mining Code, including the need for and the process of obtaining environmental authorisations.
- 5.3.2 Environmental permits for mining activities may be split into environmental commitment plans (plan d'engagement environnemental or PEE), typically in respect of research activity, issued by the *l'Office Nationale pour Environnement* National Environment Office (**ONE**) usually on the basis of a desktop study or high level environmental survey; and full environmental permits for actively producing mines, issued by the ONE after a full environmental impact assessment (**EIA**). When granted, a full environmental permit will include a detailed list of obligations for the applicant as detailed in the accompanying dossier (*cahier de charges*).



- 5.3.3 Environmental authorisations in relation to specific exploration permits are issued by the Ministry in charge of mines and are of two types:
- (a) PEE-RS: Environmental Commitment Plan for a Standard Exploration Permit (Plan d'Engagement Environnemental pour les operations en vertu de permis "R" Standard); and
 - (b) PEE-RIM: Environmental Commitment Plan for a Minimal Impact Exploration Permits (Plan d'Engagement Environnemental pour les operations en vertu de permis "R" d'Impact Minimal).
- 5.4 Moratorium period, Covid-19 lockdown and permit renewal process
- 5.4.1 Due to the political crisis that has affected Madagascar 2009-2013, the BCMM has only been operating a limited service largely limited to collection of annual fees. Since October 2016 the BCMM began accepting and processing applications for renewals.
- 5.4.2 The processes for issuing applications are an administrative formality which, providing relevant application protocol has been followed, will in almost all cases always be approved. We have reviewed the renewal applications submitted to the BCMM for each of the Exploration Permits for the Relevant Companies and the transformation applications for PREs and confirm that in each case the application was made in a form, which was acceptable to the BCMM. We have seen no evidence, which would suggest that the Ministry of Mines would withhold its approval in respect of the renewal of the permits concerned.
- 5.4.3 On March 2020, the President of the Republic announced that three cases of COVID-19 were confirmed earlier in the day by the *Institut Pasteur de Madagascar*. With further cases identified, Antananarivo, the capital city, has been subjected to various stages of lockdown with the exception of essential businesses (pharmacies, food shops and banks). Therefore, all public offices have been subjected to various lockdown declarations, and administrative process were suspended including the Company Registrar and the BCMM.
- 5.4.4 The lockdown has been slowly lifted and all offices have been opened subject to comply with the public health protocols with regard to: handwashing (with an alcohol-based hand rub or with soap and water); one meter social distancing; avoiding touching faces; and, covering the mouth and nose with a bent elbow or tissue a cough or sneeze.
- 5.4.5 We have further received verbal confirmation from the Director of the BCMM that the renewal applications in relation to the Exploration Permits and the PREs has been received, opened and are being processed by the BCMM. Given the considerable backlog no firm date for issue of any renewed permits has been provided. However, the issuance of the second exploration period granted under the renewal process is an administrative procedure and it can be expected that, barring capriciousness on the part of the BCMM, the renewed Exploration Permits and the transformation of the PREs to Exploration Permits will be completed in the coming months.



- 5.4.6 We have been informed by the BCMM that the BCMM is open but is not fully operational. The payment of mining fees 2019 and 2020 are suspended for any permits and waiting for approval from the Ministry of Mines to commence the collection of fees.

6 Assumptions, Qualifications and Limitations

- 6.1 The Opinions given in this Report are given on the basis of the assumptions set out in Schedule 3 (the Assumptions) and are subject to the qualifications set out in Schedule 4 (the Qualifications) to this Report.
- 6.2 No Qualification or Assumption shall in any way derogate from or limit the generality of any other Qualification or Assumption.
- 6.3 The opinions given in this Report are subject the limitations set out in Schedule 5 (the Limitations) to this Report.

PART 1

Iron Ore Corporation of Madagascar Sarl (IOCM)- Bekisopa

1 Conclusions and Opinions

- 1.1 The Company acquired a 75% interest in the uncertificated share capital of IOCM on 14 June 2014 from Cline Mining Corporation and entered into a Deed of Settlement (and variations to this deed) to acquire the remaining 25% interest in the uncertificated shares of IOCM on 5 August 2020.
- 1.2 The Exploration Permits held by IOCM are registered correctly at the BCMM in the name of IOCM.
- 1.3 The PRE acquired is registered correctly at the BCMM in the name of Razafindravola Marie Hélène.
- 1.4 IOCM submitted applications for renewal of the Exploration Permits and the transformation of the PRE and the renewals and transformations are in progress at the BCMM. The Exploration Permits and the PRE are valid and in force until the issuance of the renewed permits by the BCMM.
- 1.5 IOCM has paid its mining fees in 2019 (as evidenced by the receipt of payment of mining fees dated 28 March 2019 for the Exploration Permits and for the PRE).
- 1.6 IOCM is able to conduct a range of activities including (non-exhaustively) soil geochemistry, aeromagnetic surveys and limited drilling. IOCM is required to obtain an environmental authorisation (PEE-RIM) before starting a substantial drilling program. Once the updated and reissued PEE-RIM application for the environmental permit is made it will be processed within approximately sixty (60) days. This is an administrative process only and we do not see any reason why the environmental permit will not be granted.
- 1.7 The Exploration Permits are correctly registered at the BCMM in the name of IOCM and that it is able to exploit them freely without reference to any other party.



- 1.8 IOCM is liable for the payment of fees, environmental liabilities during exploration and mining activity on the permit areas, for communication with the BCMM and the upkeep of the Exploration Permits and the PRE in general.
- 1.9 IOCM's title to the Exploration Permits will not be affected by any change to its parent company's shareholding;
- 1.10 IOCM and its representatives have all relevant powers to enter into all documentation in relation to the acquisition of the Exploration Permits provided that all documents are correctly executed and filed.
- 1.11 The PRE is correctly registered at the BCMM in the name of Razafindravola Marie H el ene and is currently in full force and effect. Razafindravola Marie H el ene is the registered holder of the PRE and sold the PRE to Randriamananjara Santatriniaina, an employee of IOCM, pursuant to the Permit Sale & Purchase Agreement. Simultaneously, IOCM and Randriamananjara Santatriniaina executed a Deed of Equitable Interest whereby Randriamananjara Santatriniaina agreed to hold PRE 3757 on trust for IOCM and agreed to undertake all necessary actions in order to transform the PRE into an Exploration Permit and transfer the Exploration Permit to IOCM. The effect of the Deed of Equitable Interest is to give IOCM full and unfettered access to the area the subject of the PRE and to carry out exploration. IOCM is able to explore the PREs freely.
- 1.12 The original copy of the PRE is in the possession of IOCM;
- 1.13 All the required documentation to renew the Exploration Permits and transform the PRE have been lodged and accepted by the BCMM and IOCM is able to exploit the Exploration Permits and the PRE freely (subject to the provisions of the Mining Code and the environmental permitting process). The exploitation may be done before the issuance of the physical Exploration Permits and the transformation of the PRE and may be viewed as similar to beneficial (as opposed to legal) title to the Exploration Permits and the PRE. IOCM is liable for the payment of fees, environmental liabilities during exploration and mining activity on the permit areas, for communication with the BCMM and the upkeep of the Exploration Permits and the PRE in general.
- 1.14 Where compliance with the BCMM or statutory requirements necessary to maintain the Exploration Permits in good standing is not disclosed on the face of the documents referred to above, unless the non-compliance has come to our attention as a result of our investigations, we express no opinion on that compliance or permit. We have made reasonable and diligent enquiries to ensure that matters that should have come to our attention have done so.
- 1.15 After due enquiry, we are not aware of any material adverse change has taken place since the execution of the documents listed in this opinion, which would affect, undermine or otherwise alter their validity.



2 Good standing of the Explorations Permits and PRE- Bekisopa

2.1 Summary table of the Explorations Permits

Permit Holder	Permit No.	Permit type/mineral	Province	No. of squares	Date of issuance of the Permit	Expiry date	Valid until
IOCM	10430	PR/Iron	Fianarantsoa	64	04/03/2004	03/03/2014	Application for renewal is ongoing
IOCM	27211	PR/Iron	Fianarantsoa	128	16/10/2007	23/01/2017	Application for renewal is ongoing
IOCM	35827	PR/Iron	Fianarantsoa	32	23/01/2007	23/01/2017	Application for renewal is ongoing

2.2 Summary table of the PRE

Permit Holder	Permit No.	Permit type/mineral	Province	No. of squares	Date of issuance of the Permit	Expiry date	Validity
Razafindravola Marie Hélène	3757	PRE/Tourmaline, beryl, garnet, amethyst, crystalapatite, and citrine.	Fianarantsoa	16	26/03/2001	25/11/20	Application for renewal is ongoing And under transfer to Santatra Randriamana njara

2.3 Status of the Exploration Permits- Bekisopa

2.3.1 Mining permit no. 10430 registered in the name of IOCM in respect of the Fianarantsoa province for sixty-four (64) mining squares of 625m x 625m (the "10430 Permit").



- 2.3.2 The grant of the mining permit is made in respect of iron:
- (a) The mining permit is valid for ten (10) years from 4 March 2004 and the initial period came to an end on 3 March 2014. The BCMM registration certificate shows that IOCM has duly lodged an application for renewal of the 10430 Permit on 28 November 2013.
 - (b) The 10430 Permit will remain valid and in force until the issuance of the renewal order, which has been validly applied for in order to renew the permit for a further five (5) years. The renewal process is ongoing at the BCMM. The date of execution by the Prime Minister of the second period of the Exploration Permit on the terms and conditions of grant represents the date of commencement of the second period of the Exploration Permit. The grant of the second period of the Exploration Permit cannot be retrospectively dated.
- 2.4 Mining permit no. 27211 registered in the name of IOCM in respect of Fianarantsoa for one hundred and twenty-eight (128) mining squares of 625m x 625m (the "27211 Permit").
- 2.5 The grant of the 27211 Permit is made in respect of iron:
- (a) The 27211 Permit is valid for three (3) years from the date of its renewal by the Order no. 1879/2014 on 24 January 2014 and the initial period came to an end in 23 January 2017. The BCMM registration certificate shows that IOCM has duly lodged an application for renewal of the 27211 Permit on 20 January 2017.
 - (b) The 27211 Permit will remain valid and in force until the issuance of the renewal order, which has been validly applied for in order to renew the permit for a further three (3) years. The renewal process is ongoing at the BCMM. The date of execution by the Prime Minister of the second period of the Exploration Permit on the terms and conditions of grant represents the date of commencement of the second period of the Exploration Permit. The grant of the second period of the Exploration permit cannot be retrospectively dated.
- 2.6 Mining permit no. 35827 registered in the name of IOCM in respect of Ihorombe region and Ihosy district for thirty-two (32) mining squares of 625m x 625m (the "35827 Permit").
- 2.7 The grant of the 35827 Permit is made in respect of iron:
- (a) The 35827 Permit is valid for three (3) years from the date of its renewal by the Order no.1880/2014 dated 24 January 2014 and the initial period came to an end in 23 January 2017.
 - (b) The BCMM registration certificate shows that IOCM has duly lodged an application for renewal of the 35827 Permit on 20 January 2017. The 35827 Permit will remain valid and in force until the issuance of the renewal order, which has been validly applied for in order to renew the permit for a further three (3) years. The renewal process is ongoing at the BCMM.



The date of execution by the Prime Minister of the second period of the Exploration Permit on the terms and conditions of grant represents the date of commencement of the second period of the Exploration Permit. The grant of the second period of the Exploration Permit cannot be retrospectively dated.

- 2.8 All the above-mentioned Exploration Permits are *Permis de Recherche (PR)* which may be held by companies and for which there is no local participation requirement. They have all been issued by the BCMM and signed by the Ministry of Mines.
- 2.9 An annual administration fee is levied by the BCMM and is a function of the type of the permit, the area covered by the permit and the length of validity of the permit.

3 Status of the PRE- Bekisopa

Santatriniaina Randriamananjara and Razafindravola Marie H el ene entered into a Permit Sale & Purchase Agreement. Simultaneously, IOCM and Randriamananjara Santatriniaina executed a Deed of Equitable Interest whereby Randriamananjara Santatriniaina agreed to hold PRE 3757 on trust for IOCM and agreed to undertake all necessary actions in order to transform the PRE into an Exploration Permit and transfer the Exploration Permit to IOCM. The effect of the Deed of Equitable Interest is to give IOCM full and unfettered access to the area the subject of the PRE and to carry out exploration. IOCM is able to explore the PREs freely.

- 3.1 The Permit Sale & Purchase Agreement was duly registered at the BCMM Fianarantsoa.
- 3.2 Power of attorney dated 30 July 2014 from Razafindravola Marie H el ene to Razafimahatratra Michel was executed in order to enable the latter to carry out all required procedure in relation to the transfer and renewal of the PRE.
- 3.3 Randriamananjara Santatriniaina executed a Letter of Recognition dated 31 December 2019 prior to his resignation as an officer of IOCM where he acknowledged that he had no beneficial interest in the Permit Sale Agreement and under the Deed of Equitable Interest he would undertake all necessary actions to ensure the PRE was transformed into an Exploration Permit and issued to IOCM.
- 3.4 IOCM shall apply, at its cost, for any required environmental permits, or other consents or authorisations that may be necessary for the exploration or exploitation of any mineral or substance on the PRE with Razafindravola Marie H el ene and Santatriniaina Randriamananjara required to execute all documents necessary to assist IOCM with environment permit applications until such time as the PRE is transformed and title transferred to IOCM.
- 3.5 Razafindravola Marie H el ene and Santatriniaina Randriamananjara are not permitted to assign their interest in the PRE save by way of will or testament for transmission upon their death.
- 3.6 The Permit Sale & Purchase Agreement is governed by Malagasy Law and any dispute arising out of or in connection with the implementation or the interpretation of the clauses under the Permit Sale & Purchase Agreement shall be settled by the courts of Madagascar.



- 3.7 We have reviewed the Permit Sale & Purchase Agreement and it is valid, legal, binding and enforceable on the parties.
- 3.8 Mining permit no. 3757 registered in the name of Razafindravola Marie Hélène in respect of the province of Haute Matsiatra, Ikalamavony district for 16 mining squares of 625m x 625m.
- 3.9 The grant of the mining permit is made in respect of the following minerals: tourmaline, beryl, garnet, amethyst, crystal, apatite, and citrine.
- 3.10 The mining permit is valid for eight (8) years from 26 March 2001 until 25 March 2009. The first renewal was issued on 6 September 2009 for 4 years. The initial period came to an end on 5 September 2013 and has been renewed for second four (4) years in 26 November 2015. An application for the transfer to Santatriniaina Randriamananjara has been lodged with the BCMM.
- 3.11 Further to the declaration sent by the Company to the BCMM to extend its substances to magnetite, amethyst and hematite on 19 January 2016.
- 3.12 The PRE is in the form of *Permis réservés aux Petits Exploitants* (PRE) which may only be held by Malagasy nationals, but which may be transformed into a PR on submission of an application for transformation to the BCMM.

4 Summary table of the environmental permits- Bekisopa

4.1 Environment permits for Exploration Permits

Permit Holder	Mining Permit No.	Environmental Permit applied for	Specifically allowed activities	Environmental status
IOCM	10430	10 December 2014	Exploration of iron	PEE RIM – application filed
IOCM	27211	10 December 2014	Exploration of iron	PEE RIM – application filed
IOCM	35827			PEE RIM – application filed



4.2 PREs environment permits

Permit Holder	Mining Permit No.	Environmental Permit applied for	Specifically allowed activities	Environmental status
Razafindravola Marie H�el�ene	3757	10 December 2014	Exploration of tourmaline, beryl, garnet, amethyst, crystal, apatite and citrine.	PEE RIM – application filed
				PEE RIM – application filed

4.3 Status of the environmental permits- Bekisopa

4.4 Exploration Permits

- 4.4.1 In respect of the Exploration Permits, we have reviewed the application made on behalf of IOCM and Razafindravola Marie H el ene to obtain a PEE-RIM over permits number 10430, 27211, 26532, 35827 and 3757.
- 4.4.2 This was filed at the National Environmental Office or the ONE on 10 December 2014 and is in the standard form i.e. an *Autorisation Environnementale suivant le Plan d'Engagement Environmental de Recherche Impact Minimum or PEE-RIM*. Our understanding is that the application will be updated.
- 4.4.3 The application process is a procedural approval not requiring substantive analysis or review by the authorities. As such, these are currently granted usually within a period of 4-8 weeks, which time period should apply to the updated application when filed.

PART 2

Universal Exploration Madagascar Sarl- Tratramarina

1 Conclusions and Opinion

- 1.1 The Company acquired a 100% interest in the uncertificated share capital of UEM from Paladin Energy Limited on 5 February 2011 through the acquisition of Malagasy Holdings (Tratramarina) Pty Ltd (formerly Malagasy Exploration & Mining Pty Ltd).
- 1.2 The Exploration Permits held by UEM are registered correctly at the BCMM in the name of UEM.
- 1.3 The PREs acquired are registered correctly at the BCMM in the name of Rakotoarisoa Joseph Andr e.



- 1.4 UEM submitted applications for renewal of the Exploration Permits and the transformation of the PREs and the renewals and transformations are in progress at the BCMM. The Exploration Permits and the PRE are valid and in force until the issuance of the renewed permits by the BCMM.
- 1.5 UEM has paid its mining fees in 2018 (as evidenced by the receipt of payment of mining fees) for the Exploration Permits and for the PREs. UEM has not been issued administration fee notices for 2019 and 2020.
- 1.6 The Exploration Permits are correctly registered at the BCMM in the name of UEM and it is able to exploit them freely without reference to any other party.
- 1.7 UEM is liable for the payment of fees, environmental liabilities during exploration and mining activity on the permit areas, for communication with the BCMM and the upkeep of the Exploration Permits and PREs in general.
- 1.8 UEM's title to the Exploration Permits will not be affected by any change to its parent company's shareholding;
- 1.9 UEM and its representatives have all relevant powers to enter into all documentation in relation to the acquisition of the Exploration Permits provided that all documents are correctly executed and filed.
- 1.10 The PREs are correctly registered at the BCMM in the name of Rakotoarisoa Joseph André and are currently in full force and effect. Rakotoarisoa Joseph André is the registered holder of the PREs and sold the PREs to UEM pursuant to the Permit Sale & Purchase Agreement. Simultaneously, UEM and Rakotoarisoa Joseph André executed a Deed of Equitable Interest whereby Randriamananjara Santatriniaina agreed to hold PREs 18379/18891 on trust for UEM and agreed to undertake all necessary actions in order to transform the PREs into an Exploration Permit and transfer the Exploration Permit to IOCM. The effect of the Deed of Equitable Interest is to give UEM full and unfettered access to the area the subject of the PREs and to carry out exploration. UEM is able to explore the PREs freely.
- 1.11 The original copy of each of the PRE is in the possession of UEM.
- 1.12 All the required documentation to renew the Exploration Permits and transform the PREs into Exploration Permits have been lodged and accepted by the BCMM and UEM is able to exploit the Exploration Permits and the PREs freely (subject to the provisions of the Mining Code). The exploitation may be done before the issuance of the physical Exploration Permits and the transformation of the PREs and may be viewed as similar to beneficial (as opposed to legal) title to the Exploration Permits and the PREs. UEM is liable for the payment of fees, environmental liabilities during exploration and mining activity on the permit areas, for communication with the BCMM and the upkeep of the Exploration Permits and the PREs in general.
- 1.13 Where compliance with the BCMM or statutory requirements necessary to maintain the Exploration Permits in good standing is not disclosed on the face of the documents referred to above, unless the



non-compliance has come to our attention as a result of our investigations, we express no opinion on that compliance or permit. We have made reasonable and diligent enquiries to ensure that matters that should have come to our attention have done so.

- 1.14 After due enquiry, we are not aware of any material adverse change has taken place since the execution of the documents listed in this opinion, which would affect, undermine or otherwise alter their validity.

2 Good standing of the Explorations Permits and PREs- Tratramarina

2.1 Summary table of the Explorations Permits

Permit Holder	Permit number	No. Squares	Type	Granted date	Expiry Date	Validity
UEM	16635	144	PR	23/09/2005	22/09/2015	Application for a renewal ongoing
UEM	16637	48	PR	23/09/2005	22/09/2015	Application for a renewal ongoing
UEM	17245	160	PR	10/11/2005	09/11/2015	Application for a renewal ongoing

2.2 Summary table of the PREs

Permit Holder	Permit number	No. Squares	Type	Granted date	Expiry Date	Renewed
Rakotoarisoa Joseph André	18379	16	PRE	11/01/2006	11/01/2014	Under transformation
	18891	48	PRE	18/11/2005	17/11/2013	Under transformation

3 Status of Exploration Permits- Tratramarina

Mining permit no. 16635 registered in the name of UEM in respect of the Vatovavy Fitovavy Atsinanana region and the Nosy Varika-Mahanoro district for one hundred and forty-four (144) mining squares of 625m x 625m.



- 3.1.1 The grant of the mining permit is made in respect of the following minerals: nickel, cobalt, platinum, copper and gold;
- 3.1.2 The mining permit is valid for 10 years from 23 September 2005 and the initial period came to an end on 22 September 2015 and the request for the renewal was submitted at the BCMM in 4 September 2015. This process for renewal is ongoing.
- 3.1.3 The BCMM registration certificate shows that UEM has duly lodged an application for renewal of the 16635 Permit on 4 September 2015. The 16635 Permit will remain valid and in force until the issuance of the renewal order, which has been validly applied for in order to renew the permit for a further 3 years. The date of execution by the Prime Minister of the second period of the Exploration Permit on the terms and conditions of grant represents the date of commencement of the second period of the Exploration Permit. The grant of the second period of the Exploration Permit cannot be retrospectively dated.
- 3.1.4 Further to the declarations dated respectively 16 December 2008, there were partial renunciations of mining squares, which reduced the number of the squares to one hundred and forty-four (144) mining squares of 625m x 625m.
- 3.2 Mining permit no. 16637 registered in the name of UEM in respect of the Atsinanana region and the Mahanoro district for forty-eight (48) mining squares of 625m x 625m.
- 3.2.1 The grant of the mining permit is made in respect of the following minerals: nickel, cobalt, gold, platinum, iron and copper;
- 3.2.2 The mining permit is valid for 10 years from 23 September 2005 and the initial period came to an end on 22 September 2015 and the request for the renewal is submitted at the BCMM in 4 September 2015. This process for renewal is ongoing.
- 3.2.3 The BCMM's registration certificate shows that UEM has duly lodged an application for renewal of the 16637 Permit on 4 September 2015. The 16637 Permit will remain valid and in force until the issuance of the renewal order, which has been validly applied for in order to renew the permit for a further 3 years. The 16637 Permit will remain valid and in force until the issuance of the renewal order, which has been validly applied for in order to renew the permit for a further 3 years. The date of execution by the Prime Minister of the second period of the Exploration Permit on the terms and conditions of grant represents the date of commencement of the second period of the Exploration Permit. The grant of the second period of the Exploration Permit cannot be retrospectively dated.
- 3.2.4 UEM had been authorized by the BCMM to extend the permitted substances on the permit to include iron on 2 September 2009.
- 3.3 Mining permit no. 17245 registered in the name of UEM in respect of the Atsinanana region and the Mahanoro district for one hundred and sixty (160) mining squares of 625m x 625m.



- 3.3.1 The grant of the mining permit is made in respect of the following minerals: nickel, cobalt, gold, platinum, iron and copper:
- 3.3.2 The mining permit is valid for 10 years from 10 November 2005 and the initial period came to an end on 9 November 2015 and the request for the renewal is submitted at the BCMM in 4 September 2015. This process for renewal is ongoing.
- 3.3.3 The BCMM's registration certificate shows that UEM has duly lodged an application for renewal of the 17245 Permit on 4 September 2015. The 17245 Permit will remain valid and in force until the issuance of the renewal order, which has been validly applied for in order to renew the permit for a further 3 years. The 17245 Permit will remain valid and in force until the issuance of the renewal order, which has been validly applied for in order to renew the permit for a further 3 years. The date of execution by the Prime Minister of the second period of the Exploration Permit on the terms and conditions of grant represents the date of commencement of the second period of the Exploration Permit. The grant of the second period of the Exploration Permit cannot be retrospectively dated.
- 3.3.4 UEM had been authorized by the BCMM to extend the permitted substances on the permit to include iron on 30 September 2009.
- 3.4 All the above-mentioned mining permits are *permis du recherche* or Exploration Permits which may be held by companies and for which there is no local participation requirement. They have all been issued by the BCMM and signed by the Ministry of Mines.
- 3.5 An annual mining fee is levied by the BCMM and is a function of the type of the mining, they are covered and the length of validity of the mining permits.
- 4 Status of the PREs**
- 4.1 Mining permit no. 18379 registered in the name of Rakotoarisoa Joseph André in respect of the province of Toamasina for sixteen (16) mining squares of 625m x 625m.
- 4.2 The grant of the mining permit is made in respect of the following minerals: gold, quartz, crystal, sapphire, garnet and rubies:
- 4.2.1 The mining permit is valid for eight (8) years from 12 January 2006. The initial period came to an end in 11 January 2014 and has been renewed for 4 years.
- 4.2.2 Further to the declaration sent by UEM to the BCMM to extend its substances to the magnetite, amethyst and hematite on 19 February 2007.
- 4.2.3 UEM submitted an application in relation to the transformation of the PRE into a PR on 27 March 2012. The transformation process is ongoing at the BCMM and the permit remains valid during this process.



- 4.3 Mining permit no. 18891 registered in the name of Rakotoarisoa Joseph André in respect of the province of Toamasina for forty-eight (48) mining squares of 625m x 625m.
- The grant of the mining permit is made in respect of the following minerals: gold, quartz, crystal, sapphire, garnet and rubies:
- 4.3.1 The mining permit is valid for eight (8) years from 18 November 2005. The initial period came to an end in 17 November 2013 and was renewed for 4 years.
- 4.3.2 Further to the declaration sent by UEM to the BCMM to extend its substances to magnetite, amethyst and hematite on 19 February 2007.
- 4.3.3 UEM submitted an application in relation to the transformation of the PRE into a PR on 27 March 2012. The transformation process is in progress at the BCMM and the permit remains valid during this process.
- 4.4 The PREs may only be held by Malagasy nationals but which may be transformed into PRs on submission of an application for transformation to the BCMM.

5 Summary table of the environmental permits- Tratramarina

5.1 Environment permits for Exploration Permits

Permit Holder	Mining Permit No.	Environmental Permit applied for	Specifically allowed activities	Environmental status
UEM	16635	Environmental permit no.34/11-MEF/ONE/DG/PE dated 23 November 2011	Exploration of iron	PEE RIM – under renewal process
UEM	16637	Environmental permit no.34/11-MEF/ONE/DG/PE dated 23 November 2011	Exploration of iron	PE - under renewal process.
UEM	17245			PE - under renewal process



5.2 PREs environment permits

Permit Holder	Mining Permit No.	Environmental Permit applied for	Specifically allowed activities	Environmental status
Rakotoarisoa Joseph André	18379	Environmental permit no. 30/06-MINENVEF/ONE/DG/PE dated 05 October 2011	Exploration of magnetite, hematite and gold	PE under renewal process.
	18891			PE under renewal process

5.3 Status of the environmental permits- Tratramarina

5.4 Exploration Permits

- 5.4.1 In respect of the Exploration Permits, Environmental Permit no. 34/11-MEF/ONE/DG/PE was granted on dated 23 November 2011 in favour of UEM in relation to the exploration of iron covered by the mining permits no.16637 and no.17245.
- 5.4.2 This was issued by the Director-General of the *Office Nationale pour l'Environnement (ONE)* by completing the *Etude d'Impact Environnemental (EIE)* or Environmental Impact Assessment and is in the standard form i.e. an *Autorisation Environnementale suivant le Plan d'Engagement Environmental de Recherche Standard* or *PEE-RS*.
- 5.4.3 Other than in respect of the Mining Permit no.16635, UEM obtained correctly its environmental authorisations and completed the required PEE in compliance with the laws and regulations in force in Madagascar.
- (a) In respect of the Mining Permit no.16635, UEM is required to obtain an environmental authorisation before starting any intrusive exploration activities but this application is complete save only for the confirmation of permit renewal which is ongoing as discussed above. As at the date of this Opinion, UEM is able to conduct a range of activity including (non-exhaustively) soil geochemistry, aeromagnetic surveys and drilling.
- 5.4.4 **PRE**
- (a) Environmental permit no. 30/06-MINENVEF/ONE/DG/PE granted on 5 October 2011 was issued in favour of Rakotoarisoa Joseph André in relation to the magnetite, hematite and gold covered by the PREs.



This was issued by the Director-General of ONE) by the issuance of an EIE and is in the standard form i.e. an Autorisation Environnementale suivant le *Plan d'Engagement Environnemental de Recherche Standard* or PEE-RIM (Minimal environmental impact authorisation).

PART 3

Mineral Resources Madagascar Sarl (MRM) - Ambodilafa

1 Conclusions and Opinions

- 1.1 The Company earned 90% of certain commodities (including iron ore) discovered in the Exploration Permits by way of the Ambodilafa Farm-in Agreement with Jubilee Metals Group plc as owner of MRM on 4th September 2014. Under the Ambodilafa Farm-in Agreement, the Company is the Manager of MRM.
- 1.2 The Exploration Permits held by MRM are registered correctly at the BCMM in the name of MRM.
- 1.3 MRM submitted applications for renewal of the Exploration Permits which are in progress at the BCMM. The Exploration Permits are valid and in force until the issuance of the renewed permits by the BCMM.
- 1.4 MRM has paid its mining fees in 2018 (as evidenced by the receipt of payment of mining fees) for the Exploration Permits. MRM has not been issued administration fee notices for 2019 and 2020
- 1.5 The Exploration Permits are correctly registered at the BCMM in the name of MRM and that it is able to exploit them freely without reference to any other party.
- 1.6 MRM is liable for the payment of fees, environmental liabilities during exploration and mining activity on the permit areas, for communication with the BCMM and the upkeep of the Exploration Permits and PRE in general.
- 1.7 MRM's title to the Exploration Permits will not be affected by any change to its parent company's shareholding.
- 1.8 MRM and its representatives have all relevant powers to enter into all documentation in relation to the acquisition of the Exploration Permits provided that all documents are correctly executed and filed.
- 1.9 All the required documentation to renew the Exploration Permits has lodged and accepted by the BCMM and MRM is able to exploit the Exploration Permits freely (subject to the provisions of the Mining Code and the environmental permitting process). The exploitation may be done before the issuance of the physical Exploration Permits may be viewed as similar to beneficial (as opposed to legal) title to the Exploration Permits. MRM is liable for the payment of fees, environmental liabilities



during exploration and mining activity on the permit areas, for communication with the BCMM and the upkeep of the Exploration Permits and the PRE in general.

- 1.10 Where compliance with the BCMM or statutory requirements necessary to maintain the Exploration Permits in good standing is not disclosed on the face of the documents referred to above, unless the non-compliance has come to our attention as a result of our investigations, we express no opinion on that compliance or permit. We have made reasonable and diligent enquiries to ensure that matters that should have come to our attention have done so.
- 1.11 After due enquiry, we are not aware of any material adverse change has taken place since the execution of the documents listed in this opinion, which would affect, undermine or otherwise alter their validity.

2 Good standing of the Explorations Permits

2.1 Summary table of the Explorations Permits

Permit Holder	Permit number	No. Squares	Type	Granted date	Expiry Date	Status
MRM	21910	3	PR	23/09/2005	22/09/2015	Under substance extension and application for a renewal Ongoing
MRM	6595	98	PR	20/05/2003	19/05/2013	Application under renewal Ongoing
MRM	13011	33	PR	15/10/2004	14/10/2014	Application under renewal ongoing



3 Status of the Exploration Permits

- 3.1 Mining permit no. 21910 registered in the name of MRM in respect of the Vatovavy Fitovavy Atsinanana region and the Nosy Varika district for three (3) mining squares of 625m x 625m (the "21910 Permit").
- 3.2 The grant of the 21910 Permit is made in respect of the following minerals: nickel, cobalt, platinum, copper and gold:
- 3.2.1 The 21910 Permit will remain valid and in force until the issuance of the renewal order, which has been validly applied for in order to renew the permit for a further 3 years.
- 3.2.2 Further to the application/declaration for reduction of mining squares submitted to the BCMM on 16 December 2008, the initial 112 mining squares were reduced to three (3) mining squares of 625m x 625m.
- 3.2.3 MRM submitted to the BCMM an application for extension of its substances July 2012 with the extension is on-going at the BCMM. The 21910 Permit will remain valid and in force until the issuance of the renewal order, which has been validly applied for in order to renew the permit for a further 3 years. The date of execution by the Prime Minister of the second period of the Exploration Permit on the terms and conditions of grant represents the date of commencement of the second period of the Exploration Permit. The grant of the second period of the Exploration Permit cannot be retrospectively dated.
- 3.3 Mining permit no. 6595 registered in the name of MRM in respect of the Vatovavy Fitovavy region and the Nosy Varika district for ninety-eight (98) mining squares of 625m x 625m (the "6595 Permit").
- 3.4 The grant of the 6595 Permit is made in respect of the following minerals: nickel, copper, gold, platinum and iron:
- 3.4.1 The 6595 Permit will remain valid and in force until the issuance of the renewal order, which has been validly applied for in order to renew the permit for a further 3 years.
- 3.4.2 Further to the declaration dated respectively 16 December 2008 and 12 January 2010, there were partial renunciations of mining squares which reduced the number of the squares to ninety-eight (98) mining squares of 625m x 625m.
- 3.4.3 MRM submitted to the BCMM an application for extension of its substances July 2012 with the extension is on-going at the BCMM. The 6565 Permit will remain valid and in force until the issuance of the renewal order, which has been validly applied for in order to renew the permit for a further 3 years. The date of execution by the Prime Minister of the second period of the Exploration Permit on the terms and conditions of grant represents the date of commencement of the second period of the Exploration Permit. The grant of the second period of the Exploration Permit cannot be retrospectively dated.



- 3.5 Mining permit no. 13011 registered in the name of MRM in respect of the Vatovavy Fitovavy Atsinanana region and the Nosy Varika district for thirty-three (33) mining squares of 625m x 625m (the "13011 Permit").
- 3.6 The grant of the 13011 Permit is made in respect of the following minerals: Nickel, gold, Platinum, iron and copper:
- 3.6.1 The 13011 Permit will remain valid and in force until the issuance of the renewal order, which has been validly applied for in order to renew the permit for a further 3 years.
- 3.6.2 Further to the declaration dated respectively 18 January 2008 and 16 December 2010, there were partial renunciations of mining squares which reduced the number of the squares to thirty-three (33) mining squares of 625m x 625m.
- 3.6.3 MRM submitted to the BCMM an application for extension of its substances July 2012 with the extension is on-going at the BCMM. The 13011 Permit will remain valid and in force until the issuance of the renewal order, which has been validly applied for in order to renew the permit for a further 3 years. The date of execution by the Prime Minister of the second period of the Exploration Permit on the terms and conditions of grant represents the date of commencement of the second period of the Exploration Permit. The grant of the second period of the Exploration Permit cannot be retrospectively dated.

All the above-mentioned mining permits are *Permis de Recherche (PR)* or Exploration Permits which may be held by companies and for which there is no local participation requirement. A further more detailed discussion of the rights and obligations attaching to a PR is set out in this Report. They have all been issued by the BCMM and signed by the Ministry of Mines.

4 Status of environment permits- Ambodilafa

4.1 Summary table of the environmental permits

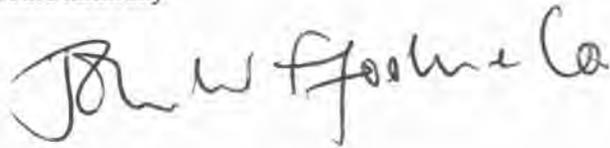
Permit Holder	Mining Permit No.	Environmental Permit applied for	Specifically allowed activities
MRM	21910	Environmental permit no.27/06-MINENVEF/ONE/DG/PE dated 20 September 2006	Exploration of nickel and copper.
	6595		
	21910		



4.2 Status of the environmental permits

- 4.2.1 Environmental permit no. 27/06-MINENVEF/ONE/DG/PE dated 20 September 2006 (the "Environmental Permit") issued by ONE in favour of MRM for the exploration of nickel and copper in Vatovavy Fitovinany region.
- 4.2.2 The Environmental Permit covers the Exploration Permits held by MRM.

Yours faithfully



Schedule 1**Relevant Documents**

In preparing this Report, we have reviewed and examined the following documents relating to the Company:

- 1 Copy of the Exploration Permits
- 2 Copy of the PREs
- 3 Copies of the environmental permits of the Exploration Permits and the PREs dated respectively 23 November 2011 and 05 October 2006.
- 4 The term sheet to acquire PRE mining permits 18379 and 18891 (the "Tratramarina Permits") dated 12 May 2011 entered into between Jean Gaulbert Randriamanantsoa, André Joseph Rakotoarisoa and UEM.
- 5 Minutes of UEM dated 20 June 2011 duly registered at the tax authority and relating to the purchase of the PREs.
- 6 The sale agreement (entitled "Assignment of Equitable Interest") dated 21 June 2011 entered into between Jean Gaulbert Randriamanantsoa and André Joseph Rakotoarisoa (the Vendors) and UEM in respect of the PREs and duly registered at the tax authority on 11 October 2011 which states, inter alia.
- 7 Minutes of the shareholders meeting dated 7 February 2011 approving the acquisition of Malagasy Exploration and Mining Pty Ltd by IPRL and the modification of the company's financial year.
- 8 Minutes of the shareholders meeting approving the share transfer between IPR Universal Limited and Malagasy Holdings (Tratramarina) Pty Ltd dated 12 November 2015, duly stamped and registered at the tax authority on 1st December 2015.
- 9 Notification for the payments of the mining fees 2017 to 2019 from the BCMM.
- 10 Copy of the IOCM Exploration Permits.
- 11 Copy of the IOCM PRE.
- 12 The term sheet to acquire the PRE by IOCM.
- 13 Sale Agreement entered into between Santatriniaïna Randriamananjara (on behalf of IOCM), and Razafimahatratra Michel (as representative of Razafindravola Marie Hélène, holder duly registered of the PRE-Permit).



- 14 The sale agreement dated 14 August 2014 entered into between Razafimahatratra Michel (the Vendor) and Santatriniaina Randriamananjara in respect of the PRE-Permit and duly registered at the BCMM Fianarantsoa on 31 July 2014;
- 15 Power of attorney dated 30 July 2014 from Razafindravola Marie H el ene to Razafimahatratra Michel in order to carry out all required procedure in relation to the transfer and renewal of the PRE-Permit.
- 16 Recognition letter dated 31 December 2019 from Santatriniaina Randriamananjara relating to the transfer of the PRE-Permit;
- 17 Table summary of the IPR permits Status
- 18 Receipts of the payment of administration fees 2019 dated 28 March 2019 in relation to the IOCM Exploration Permits and the PRE.
- 19 Registration certificate dated 14 October 2020 evidencing that the mining fees 2020 are regularly paid.
- 20 Receipts of the payment of administration fees 2018 dated 27 March 2018 in relation to the UEM Exploration Permits and PREs
- 21 Extract from the BCMM dated 14 October 2020 confirming that the Exploration Permits are registered in the name of IOCM and the PREs are registered in the name of Razafindravola Marie H el ene.
- 22 Receipts for the payments of the administration fees 2018 dated 27 March 2018 in relation to the MRM Exploration Permits
- 23 Copy of the MRM Exploration Permits
- 24 Copy of the environmental permit
- 25 An application submitted at the BCMM for extension of the substances of the 21910 Permit on 12 July 2015. The extension is on-going at the BCMM;
- 26 Receipts for the payments of the administration fees 2018 dated 27 March 2018 in relation to the MRM Exploration Permits.



Schedule 2

Searches and Enquiries

1. Owing to current restrictions imposed as result of the Covid-19 crisis in Madagascar, the BCMM is unable to produce formal notice certification of title. However, in some cases we have been able to sight the registry and original documents held by the BCMM and this is noted in our Opinion.

Schedule 3

Assumptions

The opinions in this Report have been given on the following assumptions:

1 Original and Genuine Documentation

- 1.1 All signatures, stamps and seals on all documents and instruments submitted to us for the purposes of this Report are genuine and authentic.
- 1.2 All copy documents (whether in the form of certified copies, photocopies, conformed copies or facsimile copies or extracts) submitted to us and/or examined by us for the purposes of this Report are complete and conform to the originals.
- 1.3 All original documents submitted to us for the purposes of this Report are complete, authentic and up to date.
- 1.4 Where we have been provided with only signature pages of any document, the original signed version of such document does not differ from the last full version of such document provided to us.
- 1.5 All translations of any document submitted to us for the purposes of this Report are accurate.

2 Other

- 2.1 Other than such matters as are the subject matter of this Report, all representations and statements as to factual matters expressed in the Relevant Documents, we have examined for the purposes of this Report are true, accurate and correct.
- 2.2 There is no other fact, matter or document which would, or might, affect the opinions set out in this Report and which was not revealed by the Relevant Documents examined or the searches and enquiries made.



Schedule 4

Qualifications

The opinions in this Report are subject to the following qualifications:

- 1 Any judgement obtained under any foreign law contracts in a court of competent jurisdiction outside Madagascar will be recognised and enforced in accordance with ordinary procedure applicable under Madagascar law for the enforcement of foreign judgements, provided that:
 - 1.1 the judgement was final and conclusive, was not obtained by fraud or in any manner opposed to natural justice, that the enforcement of the judgement is not contrary to public policy in Madagascar and that the foreign court in question had jurisdiction and competence according to applicable rules on conflicts of laws;
 - 1.2 if a foreign judgment is obtained or a foreign arbitration award is made, the plaintiff would be required as a matter of Madagascar law, to request an exequatur order in order to obtain recognition and enforcement of such judgment or award in the Republic of Madagascar. The Madagascar courts will recognise and enforce such judgment or award without rehearing the facts and circumstances of the case.
- 2 Sanctions in effect in Madagascar may prohibit persons bound by them from having:
 - 2.1 certain types of dealing with specified companies and individuals; or
 - 2.2 dealings involving certain types of goods connected with specified countries.
- 2.3 We have not carried out any enquiries as to whether any sanctions may apply to the any documents submitted to our review, any parties to them, or any transactions, which they contemplate.
- 3 If any obligation is to be performed in a jurisdiction outside Madagascar, it may not be enforceable in Madagascar to the extent that performance would be illegal or contrary to public policy under the laws of the other jurisdiction and a Madagascar court may take into account the law of the place of performance in relation to the manner of performance and to the steps to be taken in the event of defective performance.
- 4 Any provision of a document, which constitutes or purports to constitute, a restriction on the exercise of any statutory power by any party to that document or any other person may be ineffective.
- 5 Notwithstanding any provision of any agreement which purports to state that that agreement is an entire agreement, where agreements are inter-related and inter-connected and refer to each other,



the provisions of each of those agreements may be taken into account in the interpretation of the provisions of any such other agreement.

- 6 We have only conducted searches and enquiries in courts and government records as stated in Schedule 2 and this Report is qualified in this regard.



Schedule 5

Limitations and Limitation of liability

1 Limitations

- 1.1 We have not assisted in the investigation or verification of the facts or the reasonableness of any assumptions or statements of opinion contained in any of the Relevant Documents (other than as expressly set as herein) and nor have we attempted to determine whether any material fact has been omitted from any of the Relevant Documents.
- 1.1.1 We have taken no steps to investigate or verify and express no opinion on the accuracy of any statements made in the Relevant Documents in Schedule 1.
- 1.1.2 We have not taken (save as expressly stated) any steps to independently verify the Assumptions. However, we are not aware that any of the Assumptions are misleading.
- 1.1.3 Our role in the legal due diligence exercise is limited to (i) our review of the documents provided to it from the beginning of the instruction until the date of the Report, (ii) the searches results we obtained during this period and (iii) the compliance of the companies' obligations with the applicable Malagasy laws.
- 1.2 This Report is subject to the application of Madagascar law concepts of materiality.
- 1.3 Investors are entitled to rely on the contents of this Report until the close of the Offer. If a material adverse event occurs in relation to the subject matter of the report prior to the close of the Offer the Report will be updated.

2 Limitation of Liability

- 2.1 The opinions given in this Report are given strictly on the basis that all and any claims of any nature (whether arising in contract or in delict) arising as a result of reliance on such opinions shall only be capable of being brought and/or instituted, and may only and exclusively be brought and/or instituted, against John W. Ffooks & Co. (**the Firm**). No director, partner, professional with similar status, consultant, associate or other employee of the Firm or any of its affiliates shall be liable in their personal capacity for any claim whatsoever arising, directly or indirectly, in connection with the opinions given in this Report, and no such claims shall be enforceable against their respective personal estates. All such claims may be satisfied only from the assets of the Firm including (but not limited to) the Firm's professional indemnity cover.



Schedule 6**Reliance**

- 1 This Report is provided for the purpose described on the front page of this letter (Purpose) and is addressed to the Company solely for its own benefit and the benefit of its directors.
- 2 Other than in the Prospectus, this Report may not be disclosed to anyone else without our prior written consent, except that it may be disclosed, but only on the express basis that they may not rely on it, to:
 - 2.1 the officers, employees, auditors and any professional advisers of any Addressee.
 - 2.2 any affiliate of any Addressee and the officers, employees, auditors and professional advisers of any such affiliate.
 - 2.3 as required by any applicable law or court order pursuant to the rules or regulations of any supervisory or regulatory body or in connection with any judicial proceedings if we are notified in writing of such disclosure or filing, unless such notification itself would be contrary to any applicable law or regulation.
- 3 Our role in the legal due diligence exercise is limited to (i) our review of the documents provided to it from the beginning of the instruction until the date of the Report, (ii) the searches results we obtained during this period and (iii) the compliance of the companies' obligations with the applicable Malagasy laws.
- 4 John W. Ffooks & Co consents to being named in the Prospectus as the author of this Report in the form and context in which it appears.
- 5 John W. Ffooks & Co has given, and not before the lodgement of the Prospectus withdrawn its consent to the inclusion of this Report in the Prospectus.
- 6 Investors are entitled to rely on the contents of this Report until the close of the Offer. If a material adverse event occurs in relation to the subject matter of the report prior to the close of the Offer the Report will be updated.



Application Form
