



ALLUP SILICA



ALLUP SILICA LIMITED

ACN 163 173 224

For the Initial Public Offering of 25,000,000 Shares at an issue price of \$0.20 per Share to raise \$5,000,000 (before costs) (**Offer**).

Important Information

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

An investment in the Shares offered by this Prospectus should be considered as speculative.





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Important Information

1.1 Important Notice

This Prospectus is dated 1 December 2021 and was lodged with ASIC on that date. The ASX, ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which the Prospectus relates. The expiry date of this Prospectus is that date which is 13 months after the date this Prospectus was lodged with ASIC. No Shares may be issued on the basis of this Prospectus after that expiry date.

This document is important and investors should read this Prospectus in its entirety and seek professional advice where necessary before deciding whether to participate in the Offer. The Shares the subject of this Prospectus should be considered speculative. This document does not take into account the investment objectives, financial, taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to their particular needs, and consider their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult their stockbroker, solicitor, accountant or other professional advisor without delay. Some of the risk factors that should be considered by potential investors are outlined in Section 13.

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

Application will be made to ASX within seven days after the date of this Prospectus for Official Quotation of the Shares the subject of this Prospectus.

Persons wishing to apply for Shares pursuant to the Offer must do so using the Application Form accompanying this Prospectus either in paper form or online form. Online Applications for Shares under the Offer must be made by following the instructions at www.registrydirect.com.au/offer/aps-ipo. The Corporations Act prohibits any person passing onto another person an Application Form unless it accompanies the complete and unaltered version of this Prospectus.

By submitting an Application Form, you acknowledge that you have received and read this Prospectus and you have acted in accordance with the terms of the Offer detailed in this Prospectus.

No person is authorised to give any information or to make any representation in relation to the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied upon as having been authorised by the Company or the Directors in relation to the Offer. You should only rely on information in this Prospectus.

1.2 Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.allupsilica.com. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must only access this Prospectus from within Australia.

Persons having received a copy of this Prospectus in its electronic form may obtain a paper copy of this Prospectus and any supplementary prospectus and a paper version of the Application Form (free of charge) by contacting the Company on +61 8 9278 8811 between 9.00am and 5.00pm (WST) Monday to Friday.

A copy of this Prospectus is available for inspection at the registered office of the Company at 18 Kings Park Road, West Perth in Western Australia during normal business hours.

Applications for Shares under the Offer will only be accepted by submitting an Application Form which accompanies this Prospectus either in paper form or online form. The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to, or accompanied by, the complete unaltered version of the Prospectus. If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form.

The Company and the Lead Manager reserve the right not to accept an Application Form from a person if they have reason to believe that when that person was given access to the online 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.

1.3 Overseas Applicants

The offer of Shares made pursuant to this Prospectus is not made to persons to whom, or places in which, it would be unlawful to make such an offer of Shares. No action has been taken to register or qualify the Offer under this Prospectus or otherwise permit the Offer to be made in any jurisdiction outside of Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law in those jurisdictions and therefore persons who come into possession of this Prospectus should seek legal advice on, and observe, any of those restrictions. Failure to comply with these restrictions may violate securities laws.

It is the responsibility of any overseas Applicant to ensure compliance with all laws of any country relevant to his or her Application. The return of a duly completed Application Form will be taken by the Company or the Lead Manager (as applicable) to constitute a representation and warranty that there has been no breach of such law and that all necessary approvals and consents have been obtained.

1.4 Forward-looking Statements

This Prospectus may contain forward-looking statements which are identified by words such as 'may', 'should', 'will', 'expect', 'anticipate', 'believes', 'estimate', 'intend', 'scheduled' or 'continue' or other similar words. Such statements and information are subject to risks and uncertainties and a number of assumptions, which may cause the actual results or events to differ materially from the expectations described in the forward looking statements or information.

While the Company considers the expectations reflected in any forward looking statements or information in this Prospectus are reasonable, no assurance can be given that such expectations will prove to be correct. The risk factors outlined in Section 13, as well as other matters not yet known to the Company, or not currently considered material to the Company, may cause actual events to be materially different from those expressed, implied or projected in any forward looking statements or information. Any forward looking statement or information contained in this Prospectus is qualified by this cautionary statement.

1.5 Competent Persons Statement

The information in this Prospectus that relates to mineral resources, exploration results and exploration targets for the Projects is based on and fairly represents information and supporting documentation compiled by Richard Maddocks who is a full-time employee of Auramore Consulting and is a Fellow of the Australasian Institute of Mining and Metallurgy. Auramore Consulting has been engaged as an independent consultant to the Company and Richard Maddocks has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves (JORC Code). Auramore Consulting consents to the inclusion of the information in this Prospectus that relates to mineral resources, exploration results and exploration targets for the Projects in the form and context in which it appears and to the inclusion of the Independent Geologist's Report in Section 9.

1.6 Definitions

A number of defined terms are used in this Prospectus. Unless the contrary intention appears, the context requires otherwise or words are defined in Section 17, words and phrases in this Prospectus have the same meaning and interpretation as in the Corporations Act or Listing Rules.

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CORPORATE DIRECTORY



Corporate Directory

Directors

Andrew Haythorpe	(Executive Chairperson)
Campbell Smyth	(Non-Executive Director)
Nicholas Revell	(Executive Director)
Gavin Ball	(Executive Director)

Lead Manager

CPS Capital Group Pty Ltd
Level 45
108 St. Georges Terrace
Perth Western Australia 6000

Company Secretary

Benjamin Donovan
Level 1, 3 Ord Street
West Perth Western Australia 6005

Lawyers

GTP Legal
68 Aberdeen Street
Northbridge WA 6003

Registered Office

Allup Silica Limited
Ground Floor, 18 Kings Park Road
West Perth, Western Australia 6005

Investigating Accountant

Moore Australia Corporate Finance (WA) Pty Ltd
Level 15, Exchange Tower
2 The Esplanade
Perth Western Australia 6000

Telephone:

1300 SILICA (within Australia)
+61 8 9278 8811 (outside Australia)
Email: team@allupsilica.com

Investigating Geologist

Auranmore Consulting
110 James Spiers Drive
Wanneroo Western Australia 6065

Company Website

www.allupsilica.com

Share Registry*

Registry Direct Limited
Level 3
162 Collins Street
Melbourne Victoria 3000

Proposed ASX Code

APS

Auditors

Walker Wayland Audit (WA) Pty Ltd
Level 3, 1 Preston Street
Como Western Australia 6152

Telephone:

1300 55 66 35 (within Australia)
+61 3 9909 9909 (outside Australia)

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



Image from tenement E63/2137

03

KEY INFORMATION AND INDICATIVE TIMETABLE

Key Information and Indicative Timetable

Description	Amount
Price per Share under the Offer	\$0.20
Number of Shares offered under the Offer	25,000,000
Amount to be raised under the Offer (before costs)	\$5,000,000
Total proforma cash on completion of the Offer (after costs of the Offer)	\$5,819,645
Total Shares on issue on completion of the Offer	84,511,665
Total Options on issue on completion of the Offer¹	5,000,000
Indicative market capitalisation post listing at the Offer Price²	\$16,902,333
Enterprise value at the Offer Price³	\$11,082,688

1. Comprising 5,000,000 Advisor Options issued to the Lead Manager, each exercisable at \$0.25 on or before 42 months from completion of the Offer and otherwise with the terms and conditions in Section 15.2.
2. Indicative market capitalisation is determined by the price of the Offer multiplied by the total number of Shares on completion of the Offer.
3. Enterprise Value is equal to the market capitalisation of the Company less the expected pro forma net cash on completion of the Offer.

Indicative timetable	Date
Lodgement of this Prospectus with ASIC	1 December 2021
Opening Date for the Offer	27 January 2022
Closing Date for the Offer	10 February 2022
Issue of Shares under the Offer	3 March 2022
Dispatch of holding statements	10 March 2022
Expected date for Official Quotation on the ASX	15 March 2022

The above dates are indicative only and may change without notice. The Company and the Lead Manager reserve the right to extend the Closing Date or close the Offer early without notice.



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INVESTMENT OVERVIEW

Investment Overview

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

4.1 Company Overview

Who is the Issuer of the Prospectus?

More Information at Section 1 and Section 6

Allup Silica Limited ACN 163 173 224 (**Company**), proposed ASX Code: APS.

Who is the Company?

More Information at Section 7

The Company is an Australian public company incorporated on 05 April 2013.

What are the Company's key assets?

More Information at Section 7 and Section 9

Location

The Projects comprise twelve licenses held or under application by the Company which are located in the south-west and far north of Western Australia.

These regions have a history of exploration, some of which falls within the tenement areas of the Projects. No large scale mining has occurred within the tenement areas; however, many other operating mining projects and primary industry are located within these regions. As a result, infrastructure has been well established for mining, agriculture and the community.

Each location can be accessed via excellent quality all-weather sealed highways and major roads, while the tenement areas are readily accessible by some sealed and gravel/sand access roads. The local roads, some of which may require upgrade to support any mining operations, are typically accessible and suitable for access by exploration teams and associated equipment including drill rigs.

Silica Sand Targets

Silica sand exploration differs from typical metals exploration because the silica sand is generally found from at or near surface to depths no greater than 20 or 30 metres. Silica sand targets, first identified from within known geological regions, can sometimes be visually inspected at surface. Initial shallow sampling at depths no greater than 2m provide the primary guidance on the potential for silica sand specifications before beneficiation. The results of this sampling help determine an area of interest.

Once an area of interest is established, further machine drilling is performed to identify the size and dynamics of the resource through chemical composition analysis, then, based on the chemical composition analysis results, selected bulk sample volumes are selected for metallurgical processing studies, which helps in identifying the typical finished product specification and its corresponding resource size potential.



Aerial image of sand on tenement E63/2137.

What are the Company's key assets?

More Information at Section 7 and Section 9

The Company holds 100% of the interests in the Projects comprising the:

South-West Silica Exploration Projects

Located in South-Western region of Western Australia approximately 300 km via road from Perth.

E70/5745 Granted	E70/5447 Granted	E70/5455 Pending
E70/5682 Granted	E70/5527 Granted	E70/5920 Granted

Argyle Silica Exploration Projects

Located in the Kimberley region of Western Australia approximately 3,200 km via road from Perth.

E80/5524 Granted	E80/5629 Pending	E80/5652 Pending
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Esperance Silica Exploration Project

Located in the South Coast/Goldfields Region of Western Australia approximately 720km via road from Perth.

E63/2137 Granted	E63/2138 Pending	E63/2139 Granted
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Figure 4.1. General Locations of Projects within WA.

South-West Silica Exploration Projects



Figure 4.2. South-West Silica Exploration Site Locations.

What are the Company's key assets?

[More Information at Section 7 and Section 9](#)

Unicup

100% E70/5447

Shire of Manjimup, Western Australia

Granted 14/12/2020

The area of interest is located within privately owned freehold land and a current access and compensation agreement is in place for the area of interest. Exploration conducted to date consists of surface sampling of the area and then a 14 hole drilling program, with analysis and metallurgical studies completed.

As a result of the drill program, including the analysis, an Independent JORC compliant Inferred Minerals Resource Estimate was calculated, and is included in the Independent Geologist's Report.

Unicup Silica Sand Project Inferred Mineral Resource Estimate

Tonnes	SiO ₂ %	Al ₂ O ₃ %	FeO ₃ %	TiO ₂ %	LOI %
73,000,000	96.6	1.1	0.41	0.47	0.68

Further, bulk sample from this location was sent for metallurgical processing and analysis, the results of which have provided the Company with an understanding of the potential specifications of the post-processing end-user product.

100% E70/5527

Granted 25/02/2021

Shire of Cranbrook, Western Australia

The area of interest is located adjacent to the Company tenement E70/5447 within privately owned freehold land and current access and compensation agreements are in place for the areas of interest. Exploration conducted to date is limited to the surface sampling of the area of interest and available historical data.

100% E70/5920

Granted 17/11/2021

Shire of Cranbrook, Western Australia

The area of interest is located adjacent to the Company tenement E70/5527 within privately owned freehold land. Native Title Agreements have not been finalised, accordingly no exploration has been conducted to date.

Antwalker

100% E70/5455

Application lodged 15/05/2020

Shire of Manjimup, Western Australia

The area of interests is located on Crown Land (F38 Forestry). Exploration conducted to date is limited to review of available historical data.

Grant of this tenement, access and issue of a Provision of Works is pending the approval of a Conservation Management Plan which the Company has prepared and submitted to the Department of Biodiversity, Conservation and Attractions for their review. It is not anticipated this tenement will be granted prior to IPO.

Pipeclay Tree

100% E70/5682

Granted 11/05/2021

Shire of Manjimup, Western Australia

The area of interests is located within privately owned freehold land and current access and compensation agreements are in place for various areas. No exploration has been conducted to date other than desktop geological interpretation and visual inspection at surface.

100% E70/5745

Granted 24/05/2021

Shire of Manjimup, Western Australia

The area of interests is located within privately owned freehold land and current access and compensation agreements are in place for various areas. No exploration has been conducted to date other than desktop geological interpretation and visual inspection at surface.

What are the Company's key assets?

More Information at Section 7 and Section 9

Argyle Silica Exploration Projects

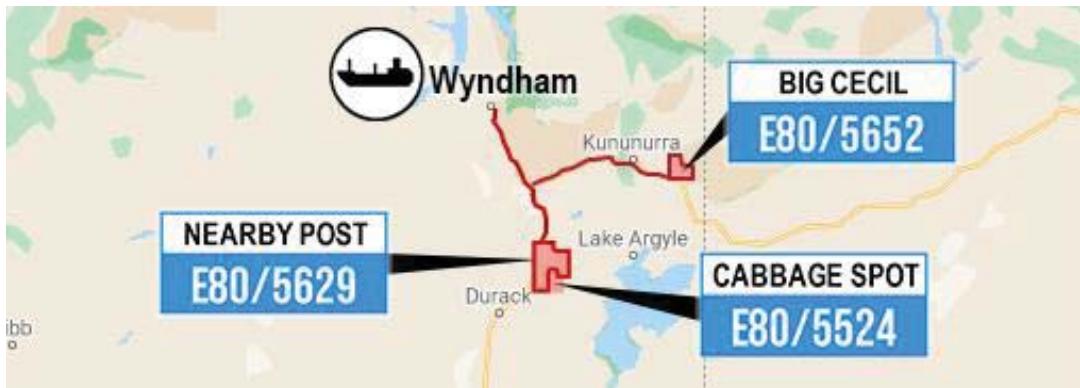


Figure 4.3. Argyle Silica Exploration Site Locations.

Cabbage Spot100% **E80/5524**

Granted 26/08/2021

Shire of Wyndham East Kimberley, Western Australia

The area of interest is located on crown land. Exploration to date is limited to surface sampling of the area of interest and analysis of the results.

Nearby Post100% **E80/5629**

Application Lodged 17/05/2021

Shire of Wyndham East Kimberley, Western Australia

The area is located on crown land. No exploration has been conducted to date other than desktop geological interpretation and visual inspection at surface. It is not anticipated this tenement will be granted prior to IPO.

Big Cecil100% **E80/5652**

Application Lodged 30/06/2021

Shire of Wyndham East Kimberley, Western Australia

The area is located on crown land. No exploration has been conducted to date other than desktop geological interpretation and visual inspection at surface. It is not anticipated this tenement will be granted prior to IPO.

What are the Company's key assets?

More Information at Section 7 and Section 9

Esperance Silica Exploration Project



Figure 4.4. Esperance Silica Exploration Site Locations.

Pink Bark

 100% **E63/2139**

Granted 26/10/2021

 100% **E63/2138**

Application lodged 02/09/2021

Shire of Esperance, Western Australia

The area of interest is located on a combination of Crown land and privately owned freehold land. Historical drill hole data shows the existence of "sand intercepts" up to 14m deep and averaging 5m – 7m in thickness. No exploration has been conducted to date other than desktop geological interpretation and visual inspection at surface.

Dune Buggy

 100% **E63/2137**

Granted 04/11/2021

Shire of Esperance, Western Australia

The area of interest is located on a Crown land. No exploration has been conducted to date other than desktop geological interpretation and visual inspection at surface.

Future Exploration

Tenement E70/5527 has an Independent JORC compliant Inferred Minerals Resource Estimate which is included in the Independent Geologist's Report. The other Projects are at an early stage of resource understanding with exploration intended in both the short and medium term. The limited exploration on these other projects to date has focused on the near surface silica sand to indicate raw silica grades and support the decision to investigate further by follow up drilling using systematic exploration methods applied in a phased exploration program.

Technical and Commercial Studies

Silica sand is a bulk commodity, and its commercial value is determined by the finished product specification. To increase the confidence on the Unicup Project Inferred JORC Resource or to identify a JORC compliant resource on the other Projects it will be necessary to conduct further drilling and then independent technical studies to determine the specification of the post processing finished product. Expenditure for these activities form part of the use of funds of the Offer.

Investment Overview

What are the Company's Objectives following Completion of the Offer?

[More Information at Section 6.3](#)

The Company's main objectives on completion of the Offer and admission to the Official List is to:

- Focus on mineral exploration of resources opportunities that have the potential to deliver value and growth for Shareholders, within its Projects, either by its own exploration and development activities, or by securing joint venture partners;
- Systematically explore the Company's Projects;
- Conduct scoping studies and other economic evaluation studies on its Projects, if successful and when appropriate; and
- Pursue a growth strategy by evaluating and acquiring other resource opportunities that have a strategic fit for the Company and have the potential to deliver growth for Shareholders.

The Directors are satisfied that on completion of the Offer the Company will have sufficient funds to carry out its stated objectives.

What Material Contracts has the Company entered into?

[More Information at Section 14](#)

The Company is a party to the following material contracts:

- Compensation Agreements;
- Cabbage Patch Project Sale Agreement;
- Lead Manager Mandate; and
- Agreements with Directors, Related Parties and Key Management Personnel.

What is the Financial Outlook for the Company?

[More Information at Section 11 and Section 12](#)

Given the current status of the Company's Projects and the speculative nature of its business as an early stage exploration company, the Directors do not consider it is appropriate to forecast future earnings.

Relevant financial information in respect of the Company, including a pro forma Statement of Financial Position detailing the effect of the Offers, is set out in the Financial Information section in Section 11 and the Independent Assurance Report in Section 12.

4.2 Board and Key Management

Topic	Summary	Details
Who are the Directors of the Company?	<p>The Board comprises:</p> <ul style="list-style-type: none"> ■ Andrew Haythorpe – Executive Chairman ■ Nicholas Revell – Executive Director ■ Gavin Ball – Executive Director and ■ Campbell Smyth – Non-Executive Director <p>As a small exploration company the Company is highly reliant on its Board.</p> <p>Refer to Section 8.1 for details of the relevant experience and expertise of the Directors.</p>	Section 8.1
Who are the key management personnel?	<p>In addition to the Executive Directors, the key management personnel of the Company are:</p> <ul style="list-style-type: none"> ■ Mark Lester – Chief Financial Officer ■ Benjamin Donovan – Company Secretary <p>Refer to Section 8.2 for details of the relevant experience and expertise of the key management personnel.</p>	Section 8.2

Topic	Summary	Details
What are the significant interests of Directors in the Company?	<p>The interests of the Directors are detailed in Section 8.3.</p> <p>The Shareholdings of Directors are set out in Section 8.4.</p> <p>Section 8.6 sets out details of related party agreements and transactions with the Company from which the Directors may benefit.</p> <p>Section 8.8 sets out the key terms of agreements with Directors, key management, or related parties. These comprise of customary executive service agreements, consultancy agreements, appointments and deeds of indemnity, insurance and access.</p>	Sections 8.3, 8.4, 8.6 and 8.8
Directors participation in the Offer	Directors are entitled to participate in the Offer by subscribing for Shares on the same terms and conditions as other Applicants. The Directors or their nominees have advised that they do not intend to subscribe for Shares under the Offer.	Section 8.5

4.3 Key Risks

Prospective investors should be aware that there are a number of risks and potential risks faced by the Company. An investment in Shares involves a number of risks and uncertainties. The risk factors set out in Section 13 and other general risks applicable to all investments in listed securities, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered speculative. This Section summarises only some of the risks which apply to an investment in the Company and investors should refer to Section 13 for a more detailed summary of the risks.

Topic	Summary	Details
Exploration and Development Risks	Mineral exploration, development and mining are high-risk enterprises, only occasionally providing high rewards. In addition to the normal competition for prospective ground, and the high average costs of discovery of an economic deposit, factors such as demand for commodities, stock market fluctuations affecting access to new capital, sovereign risk, environmental issues, labour disruption, project financing difficulties, foreign currency fluctuations and technical problems all affect the ability of a company to profit from any discovery.	Section 13.1(a)
Land Access and Compensation	There is a substantial level of regulation and restriction on the ability of exploration and mining companies to gain access to land in Australia. Negotiations with both Native Title parties and land owners/occupiers are generally required before the Company can access land for exploration or mining activities. Investors should be aware that any delay in obtaining agreement in respect of compensation due to landholders whose land comprises the Tenements may adversely impact or delay the Company's ability to carry out exploration or mining activities on its Tenements.	Section 13.1(b)
Environmental Risks	Exploration and mining is an industry that has become subject to increasing environmental responsibility and liability. The potential for liability is an ever present risk. The operations and proposed activities of the Company are subject to regulations concerning the environment. The Government and other authorities that administer and enforce environmental laws determine these requirements. As with all exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if mine development proceeds.	Section 13.1(h)

Investment Overview

Topic	Summary	Details
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 or mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, fire, explosions and other incidents beyond the control of the Company.	Section 13.1(c)
Silica and commodity prices	As an explorer for silica and other minerals, any future earnings of the Company are expected to be closely related to the price of those commodities.	Section 13.1(d)
Native Title	<p>The Native Title Act recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with Native Title in Australia and this may impact on the Company's operations and future plans.</p> <p>Native Title can be extinguished by valid grants of land (such as freehold title) or waters to people other than the Native Title holders or by valid use of land or waters. Native Title is not necessarily extinguished by the grant of mining leases, although a valid mining lease prevails over Native Title to the extent of any inconsistency for the duration of the title.</p> <p>Tenements granted before 1 January 1994 are valid or validated by the Native Title Act. The Tenement was granted prior to 1 January 1994 and accordingly suspends the operation of native title within the tenement area for the life of the Tenement.</p> <p>The existence of a Native Title Claim is not an indication that Native Title in fact exists on the land covered by the claim, as this matter is ultimately determined by the Federal Court.</p>	Section 13.1(e)
Aboriginal Heritage	<p>The Company must comply with Aboriginal heritage legislation requirements which include the requirement to conduct heritage survey work prior to the commencement of operations.</p> <p>The Company is aware of various areas of indigenous significance and Aboriginal heritage sites of considerable cultural value both to the local indigenous communities and the broader community generally. These heritage sites require the Company to comply with the Aboriginal Heritage Act in respect of any ground disturbing activities. Prior to commencing significant ground disturbing activities, including mining, the Company will need to consult with local traditional owners regarding the likely impact that the proposed activities may have on such areas.</p> <p>There is no guarantee that the Company will be able to deal with the above issues in a satisfactory or timely manner and accordingly such issues may increase the proposed time periods for the conduct of the Company's proposed activities and also limit the Company's ability to conduct its proposed activities on the Tenement including ultimately commencing mining operations.</p>	Section 13.1(f)

Investment Overview

Topic	Summary	Details
Future Capital Needs	<p>The future capital requirements of the Company will depend on many factors. The Company believes that the proceeds of the Offer should be adequate to fund its business activities in the short term as stated in this Prospectus. Changes to operational requirements, market conditions and the identification of other opportunities may mean further funding is required by the Company at an earlier stage than is currently anticipated.</p> <p>Should the Company require additional funding, there can be no assurance that additional financing (whether debt or equity) will be available, either on acceptable terms or at all. Any inability to obtain additional funding, if required, will have a material adverse effect on the Company's business and its financial condition and performance and the Company's ability to continue as a going concern.</p> <p>Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the Offer and may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.</p> <p>The Company may undertake offerings of securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such Shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, voting power of the Company's existing shareholders will be diluted.</p>	Section 13.1(m)
New Projects and Acquisitions	<p>The Company intends to actively pursue and assess new business opportunities in the resources sector. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, and/or direct equity participation.</p> <p>The acquisition of projects (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence or prior to the completion of comprehensive due diligence.</p> <p>There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company.</p> <p>If an acquisition is completed, the Directors will need to reassess at that time, the funding allocated to current projects and new projects, which may result in the Company reallocating funds from the Projects and/or raising additional capital (if available).</p> <p>Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project/business activities will remain.</p>	Section 13.1(n)

Topic	Summary	Details
Granting of licences and permits	The Company will require various and many governmental, environmental, exploration and mining permits, rights, agreements and other necessary approvals that authorise the Company to conduct exploration, mining and processing operations. A decision by any agency or other party to deny the required approval or agreements, delay issuing or renewing the required approval or agreement, or to revoke or modify an existing approval or agreement, could have a material and negative effect on the Company, including the ability for the Company to continue operations. Establishing, continuing and expanding future operations is predicated on application and receipt of all the necessary approvals and permits, rights or access agreements, which may not necessarily be obtained quickly or at all.	Section 13.1(o)
No Profits have been made by the Company	The Company has not made profits and has incurred losses since its inception, meaning it is not possible to evaluate its prospects based on past performance. The Company anticipates making further losses and there is no certainty that the Company will achieve or be able to sustain profitability.	Section 13.1(z)

4.4 The Offer

Topic	Summary	Details
What is the Offer?	The Offer is an initial Offering of 25,000,000 Shares at a price of \$0.20 per Share. The Offer is expected to raise \$5,000,000 (before costs).	Section 6.1
Is there a minimum subscription under the Offer?	The minimum subscription under the Offer is the amount of the Offer being \$5,000,000.	Section 6.1
What are the conditions of the Offer?	<p>The Offer is conditional upon the following events occurring:</p> <ul style="list-style-type: none"> ■ the Company raising the full amount of the Offer (being \$5,000,000); and ■ ASX granting conditional approval for the Company to be admitted to the Official List. <p>If the Conditions of the Offer are not achieved, then the Offer will not proceed and all Application Monies received will be repaid (without interest).</p>	Section 6.2
Why is the Offer being conducted?	<p>The purposes of the Offer are to:</p> <ul style="list-style-type: none"> ■ achieve a listing on ASX to broaden the Company's shareholder base and provide a liquid market for its Shares; ■ provide the broader business with the benefits of increased profile, transparency and credibility that arises from being a listed entity; ■ satisfy the requirements for the admission of the Company to the Official List of the ASX which will enable efficient trading of the Company's Shares, as well as to provide the Company with ongoing access to the capital markets to improve capital management flexibility; ■ provide funding for the Company's proposed expenditure on systemically exploring the Projects and to provide capital for the Company to pursue its growth strategy of evaluating and acquiring other strategic acquisitions (see Section 6.7); and ■ meet the costs of the Offer and provide general working capital and administration expenditure. 	Section 6.7

Investment Overview

Topic	Summary	Details																																																																		
How will funds raised from the Offer be used?	<p>The Offer is expected to raise \$5,000,000 (before costs). The Company intends to apply its existing cash reserves and the funds raised pursuant to the Offer for:</p> <table border="1"> <thead> <tr> <th>Funds Available</th><th>\$</th><th>5,819,645</th></tr> <tr> <th>Uses of Funds</th><th>\$</th><th>%</th></tr> </thead> <tbody> <tr> <td>Historical review</td><td>\$ 95,000</td><td>1.6%</td></tr> <tr> <td>Field works and sampling</td><td>\$ 220,000</td><td>3.8%</td></tr> <tr> <td>Drilling</td><td>\$ 860,000</td><td>14.8%</td></tr> <tr> <td>Assaying</td><td>\$ 355,000</td><td>6.1%</td></tr> <tr> <td>Metallurgical and beneficiation works</td><td>\$ 395,000</td><td>6.8%</td></tr> <tr> <td>DTM/EM/Gravity/Arial survey</td><td>\$ 175,000</td><td>3.0%</td></tr> <tr> <td>Geophysical studies</td><td>\$ 115,000</td><td>2.0%</td></tr> <tr> <td>Specialists/Consultants/Other</td><td></td><td></td></tr> <tr> <td> <i>Conservation Management Plan services</i></td><td>\$ 80,000</td><td>1.4%</td></tr> <tr> <td> <i>Management or general personnel services</i></td><td>\$ 420,000</td><td>7.2%</td></tr> <tr> <td> <i>JORC resource compliance services</i></td><td>\$ 150,000</td><td>2.6%</td></tr> <tr> <td> <i>Technical or Specialist services</i></td><td>\$ 540,000</td><td>9.3%</td></tr> <tr> <td> <i>Scoping or Pre-feasibility services</i></td><td>\$ 600,000</td><td>10.3%</td></tr> <tr> <td>Landowner compensation and costs</td><td>\$ 380,000</td><td>6.5%</td></tr> <tr> <td>Tenement compliance costs</td><td>\$ 118,000</td><td>2.0%</td></tr> <tr> <td>Other Capital</td><td>\$ -</td><td></td></tr> <tr> <td> <i>Personnel (non project)</i></td><td>\$ 680,000</td><td>11.7%</td></tr> <tr> <td> <i>Administration + Operating</i></td><td>\$ 360,000</td><td>6.2%</td></tr> <tr> <td> <i>Working capital</i></td><td>\$ 276,645</td><td>4.8%</td></tr> <tr> <td>Total Use of Funds</td><td>\$ 5,819,645</td><td>100.0%</td></tr> </tbody> </table>	Funds Available	\$	5,819,645	Uses of Funds	\$	%	Historical review	\$ 95,000	1.6%	Field works and sampling	\$ 220,000	3.8%	Drilling	\$ 860,000	14.8%	Assaying	\$ 355,000	6.1%	Metallurgical and beneficiation works	\$ 395,000	6.8%	DTM/EM/Gravity/Arial survey	\$ 175,000	3.0%	Geophysical studies	\$ 115,000	2.0%	Specialists/Consultants/Other			<i>Conservation Management Plan services</i>	\$ 80,000	1.4%	<i>Management or general personnel services</i>	\$ 420,000	7.2%	<i>JORC resource compliance services</i>	\$ 150,000	2.6%	<i>Technical or Specialist services</i>	\$ 540,000	9.3%	<i>Scoping or Pre-feasibility services</i>	\$ 600,000	10.3%	Landowner compensation and costs	\$ 380,000	6.5%	Tenement compliance costs	\$ 118,000	2.0%	Other Capital	\$ -		<i>Personnel (non project)</i>	\$ 680,000	11.7%	<i>Administration + Operating</i>	\$ 360,000	6.2%	<i>Working capital</i>	\$ 276,645	4.8%	Total Use of Funds	\$ 5,819,645	100.0%	Section 6.7
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Will the Company be adequately funded after completion of the Offer?	The Directors are satisfied that on completion of the Offer the Company will have sufficient working capital to carry out its business objectives as set out in this Prospectus.	Sections 6.8																																																																		
Is the Offer underwritten?	The Offer is not underwritten.	Section 6.21																																																																		
Who is the lead manager to the Offer?	The Company has appointed CPS Capital Group as lead manager to the Offer.	Section 14.3, 15.2, 6.4 and 6.5																																																																		
What fees will the Lead Manager receive and what are their interests in the Company?	<p>The Company has agreed to pay the Lead Manager a management fee of 2% and a placement fee of 4% of the gross amount raised under the Offer.</p> <p>The Company has also agreed to grant the Lead Manager 5,000,000 Advisor Options upon listing. The Terms and Conditions of these Options can be found at Section 15.2.</p> <p>The Lead Manager's and its associates' interests in the Company are detailed in Section 6.5.</p>	Section 14.3, 15.2, 6.4 and 6.5																																																																		
What is the allocation policy under the Offer?	The allocation of Shares under the Offer will be determined by the Company and Lead Managers in accordance with the Allocation Policy outlined in Section 6.16.	Section 6.16																																																																		

Investment Overview

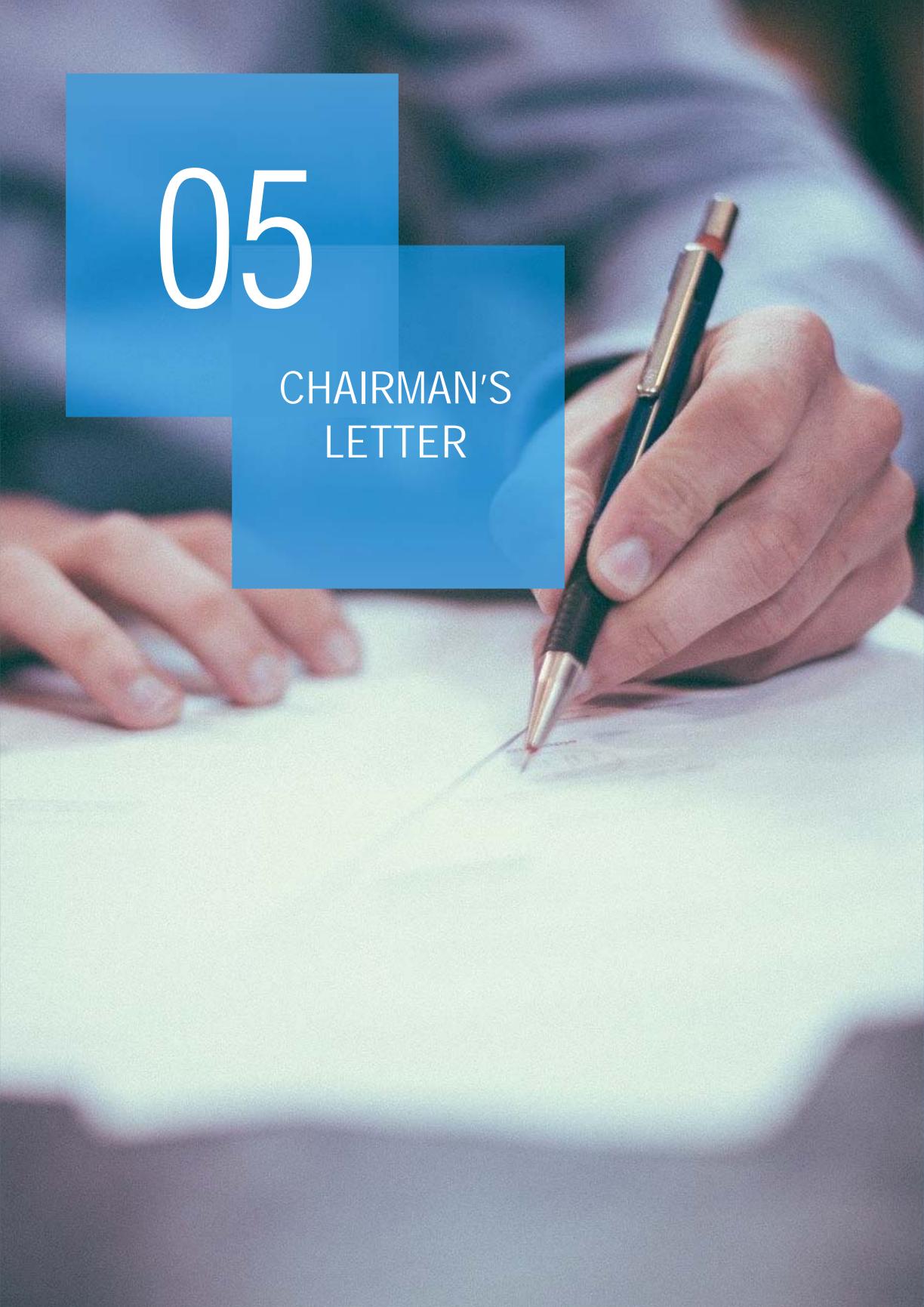
Topic	Summary	Details															
How can I apply for Shares under the Offer?	<p>Applicants under the Offer may apply for Shares by completing a valid Application Form accompanying this Prospectus either in paper form or online form and following the instructions in the Application Form.</p> <p>Online Applications for Shares under the Offer must be made by following the instructions at www.allupsilica.com.</p>	Section 6.14															
What is the minimum Application size?	The minimum Application size under the Offer is \$2,000 of Shares in aggregate.	Section 6.14															
When will an Applicant receive confirmation that my Application has been successful?	It is expected that initial holding statements will be dispatched to successful Applicants by standard post on or around 27 January 2022.	Section 3															
Can the Offer be withdrawn?	The Offer may be withdrawn at any time before the issue of Shares to Applicants. If the Offer is withdrawn, Application Money will be refunded to Applicants in full without interest.	Section 6.19															
What rights and liabilities attach to the Shares being offered?	All Shares issued under the Offer will rank equally in all respects with the existing Shares on issue. The rights and liabilities attaching to the Shares are described in Section 15.1.	Section 15.1															
Will the Shares issued under the Offer be listed?	The Company will apply for listing of the Shares on the ASX within seven days of the date of this Prospectus. Completion of the Offer is conditional on ASX approving this application.	Section 6.6															
What will the Company's capital structure be on completion of the Offer?	<p>The Company's capital structure on completion of the Offer will be as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>Shares¹</th> <th>Options</th> </tr> </thead> <tbody> <tr> <td>Existing Securities as at date of this Prospectus</td> <td>59,511,665</td> <td>-</td> </tr> <tr> <td>Shares issued on completion of Offer</td> <td>25,000,000</td> <td>-</td> </tr> <tr> <td>Advisor Options issued on completion of Offer</td> <td>-</td> <td>5,000,000²</td> </tr> <tr> <td>Total</td> <td>84,511,665</td> <td>5,000,000</td> </tr> </tbody> </table> <p>Notes:</p> <ul style="list-style-type: none"> (1) Rights attaching to Shares are summarised in Section 15.1. (2) Comprising: <ul style="list-style-type: none"> (a) 5,000,000 Advisor Options with an exercise price of \$0.25, expiring 42 months from date of grant and issued at a cost price of \$0.001 per option; (b) and otherwise with the terms and conditions in Section 15.2. 		Shares ¹	Options	Existing Securities as at date of this Prospectus	59,511,665	-	Shares issued on completion of Offer	25,000,000	-	Advisor Options issued on completion of Offer	-	5,000,000 ²	Total	84,511,665	5,000,000	Section 6.9
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Total	84,511,665	5,000,000															
Who will be the substantial holders of the Company on completion of the Offer?	It is expected the substantial holders of the Company on completion of the Offer will be as set out in Section 15.4.	Section 15.4															

Investment Overview

Topic	Summary	Details
Will any Securities be subject to escrow?	<p>No Shares issued under the Offer are expected to be subject to escrow.</p> <p>43,032,083 Shares will be escrowed for 24 months from the date of Official Quotation (primarily held by Directors and their related parties and entities holding promoter shares).</p> <p>5,433,816 Shares will be escrowed for 12 months from the date the Shares were issued in respect of seed raised by the Company in advance of the Offer (held by parties unrelated to the Company).</p> <p>5,000,000 Advisor Options to be granted to the Lead Manager (or its nominee) will be subject to ASX escrow for 24 months from the date of the Company's admission to the Official List of the ASX. Refer to Section 15.2 for the terms and conditions of the Advisor Options.</p> <p>Refer to Section 6.10 for further details of the escrow arrangements.</p>	Section 6.10
Is there any brokerage, commissions or stamp duty payable by Applicants?	No brokerage, commission or stamp duty will be payable by Applicants on the subscription for Shares under the Offer.	
What are the tax implications of investing in Shares under the Offer?	The tax consequences of any investment in Shares will depend upon your particular circumstances. Prospective investors should obtain their own tax advice before deciding to invest.	Section 6.26
What is the Company's dividend policy?	<p>The Company does not expect to pay dividends in the near future as its focus will primarily be on using its cash reserves to grow and develop its business.</p> <p>Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurances can be given in relation to the payment of dividends, or that franking credits may attach to any dividends.</p>	Section 6.13
How can I find out more about the Prospectus or the Offer?	Questions relating to the Offer can be directed to the Company on +61 8 9278 8811 between 9.00am and 5.00pm (WST) Monday to Friday. Questions relating to the completion of an Application Form can be directed to the Share Registry, on +61 3 9909 9909 between 9.00am and 5.00pm (WST) Monday to Friday.	Section 6.27

05

CHAIRMAN'S LETTER



Chairman's Letter

Dear Investor

On behalf of the directors of Allup Silica Limited (**Company**), it is my pleasure to invite you to read this Prospectus as you consider the opportunity to become a Shareholder in the Company.

The Company is an Australian public company focused on identifying and developing high quality silica sand projects in Western Australia.

The Projects are prospective for high-quality silica sand and are located within reasonable trucking distances to selected Port locations. Our strategy contemplates minimising environmental and community impacts in the respective regions. Further information about the Projects is detailed in Section 7 of this Prospectus. The Board believes the Projects represent an exciting opportunity for growth.



Directors and management of the Company have considerable experience in resources project assessment, exploration and development. Details can be found in Section 8.

This Prospectus has been issued by the Company for an initial Offering of 25,000,000 Shares under the Offer each at a price of \$0.20 to raise up to \$5,000,000 (before costs). Details of the Offer are set out in Section 6.

The majority of the proceeds from the Offer will be applied towards exploration programs and evaluation studies on the Projects, to support future growth of the Company.

Listing of the Company on ASX will provide liquidity to existing shareholders, provide the opportunity for new Shareholders to invest in the Company, improve the Company's ability to access capital markets and enhance the Company's public profile.

This Prospectus contains detailed information about the Offer and the Company's proposed exploration on the Projects, as well as the risks of investing in the Company. I ask that you read this document carefully and seek independent professional advice before investing in the Company.

On behalf of the Board, I invite you to become a Shareholder in the Company and to share a part of this exciting investment opportunity.

Yours faithfully



Andrew Haythorpe
Executive Chairperson



ALLUP SILICA

06

DETAILS OF THE OFFER

Details of the Offer

6.1 The Offer and Minimum Subscription

Pursuant to this Prospectus, the Company offers 25,000,000 Shares at an issue price of \$0.20 each to raise up to \$5,000,000 (before costs) (**Offer**).

The Offer is not underwritten.

The Directors will determine the recipients of the Shares under the Offer in consultation with the Lead Manager in accordance with the Allocation Policy set out in Section 6.16. The Directors, in conjunction with the Lead Manager, reserve the right to reject any application or to issue a lesser number of Shares than that applied for. If the number of Shares allocated is less than that applied for, or no issue is made, the surplus Application Monies will be promptly refunded by cheque or bank transfer to the Applicant (without interest).

The minimum level of subscription for the Offer is the amount to be raised under the Offer of \$5,000,000 (before costs of the Offer) (**Minimum Subscription**). No Shares will be issued under this Prospectus until the Minimum Subscription has been achieved. If the Minimum Subscription is not received within four months after the date of this Prospectus (or such period as varied by ASIC), no Shares will be issued under this Prospectus and all Application Monies received under this Prospectus will be repaid (without interest) in accordance with the Corporations Act.

The Offer may be withdrawn at any time before Shares are issued under this Prospectus. The Offer is made on the terms, and subject to the conditions, set out in this Prospectus.

All Shares issued pursuant to this Prospectus will rank equally with the Existing Shares on issue. The rights and liabilities attaching to the Shares are summarised in Section 15.1.

Applications for Shares must be made on the Application Form which accompanies this Prospectus and received by the Company or the Lead Manager (as applicable) on or before the Closing Date. Online Applications for Shares under the Offer must be made by following the instructions at www.registrydirect.com.au/offer/aps-ipo. Persons wishing to apply for Shares should refer to Section 6.14 for further details and instructions.

6.2 Conditions of the Offer

The Offer is conditional upon the following events occurring:

- (a) the Company raising the full amount of the Offer (being \$5,000,000); and
 - (b) ASX granting conditional approval for the Company to be admitted to the Official List,
- (together the **Conditions of the Offer**).

If the Conditions of the Offer are not achieved, then the Company will not proceed with the Offer and will repay all Application Monies received (without interest) in accordance with the Corporations Act.

6.3 Purpose of the Offer

The purpose of the Offer is to:

- (a) achieve a listing on ASX to broaden the Company's shareholder base and provide a liquid market for its Shares;
- (b) provide the broader business with the benefits of increased profile, transparency and credibility that arises from being a listed entity;
- (c) satisfy the requirements for the admission of the Company to the Official List of the ASX which will enable efficient trading of the Company's Shares, as well as to provide the Company with ongoing access to the capital markets to improve capital management flexibility;
- (d) provide funding for the Company's proposed expenditure on systematically exploring the Projects, including geochemical analysis and potential drilling and to provide capital for the Company's growth strategy to pursue further strategic acquisitions (see Section 6.7); and
- (e) meet the costs of the Offer and provide general working capital and administration expenditure.

Details of the Offer

6.4 Lead Manager and Selling Fees

The Company has entered into a Lead Manager Mandate with the Lead Manager, CPS Capital Group, in respect of the Offer. The terms of the Lead Manager Mandate are summarised in Section 14.3.

The Company has agreed to pay the Lead Manager the following fees in respect of the Offer:

- a management fee of 2% of the gross amount raised under the Offer; and
- a placement fee of 4% of the gross amount raised under the Offer.

In addition, the Company has agreed to grant 5,000,000 unlisted Advisor Options to the Lead Manager (or its nominee) each at an exercise price of \$0.25 expiring 42 months from the date of IPO.

Any selling fees required to be paid to third party licensed financial advisors or brokers will be paid by the Lead Manager.

6.5 Interests of the Lead Manager

As at the date of this Prospectus, the Lead Manager and its associates have a relevant interest in 3,150,000 Shares which amounts to a percentage holding of 5.29% in the Company.

Based on the information available to the Company as at the date of this Prospectus regarding the Lead Manager's and its associates' intentions regarding the Offer, it is expected that on admission to the Official List of the ASX, the Lead Manager and its associates will have a relevant interest in 3,150,000 Shares which amounts to a percentage holding of 3.73% in the Company.

The Lead Manager and its associates have been issued the following Securities set out in the table below. Other than as detailed below, the Lead Manager has not participated in a placement of Securities by the Company in the 2 years preceding the date of this Prospectus.

Placement Round	Shares	Consideration
Seed Raising	2,000,000	\$0.02 per Share
Pre-IPO Seed Raising ¹	1,150,000	\$0.10 per Share

¹ The Lead Manager also received \$24,000 (plus GST) as fees for services provided in connection with the Pre-IPO seed raising.

6.6 ASX Listing

The Company will apply to ASX within seven days after the date of this Prospectus for admission to the Official List and for Official Quotation of the Shares, other than any existing Shares that the ASX is likely to treat as "restricted securities" (as that term is defined in the Listing Rules). Refer to Section 6.10 for details of Shares that the ASX is likely to treat as "restricted securities". If the Shares are not admitted to Official Quotation by ASX before the expiration of three months after the date of issue of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and all application monies received for the Shares will be repaid within the time prescribed under the Corporations Act, without interest.

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

Details of the Offer

6.7 Use of Funds

The Company intends to apply the funds raised from the Offer, together with existing cash reserves over the 24 months following completion of the Offer as follows:

SOURCES OF FUNDS		
	Year 1	Year 2
Current cash after costs of Offer	\$ 819,645	
Funds raised under the Offer		\$ 5,000,000
TOTAL	\$ 5,819,645	
USES OF FUNDS		
	Year 1	Year 2
Historical review	\$ 95,000	\$ -
Field works and sampling	\$ 180,000	\$ 40,000
Drilling	\$ 240,000	\$ 620,000
Assaying	\$ 170,000	\$ 185,000
Metallurgical and beneficiation works	\$ 210,000	\$ 185,000
DTM/EM/Gravity/Arial survey	\$ 175,000	\$ -
Geophysical studies	\$ 115,000	\$ -
Specialists/Consultants/Other	\$ -	\$ -
<i>Conservation Management Plan services</i>	\$ 60,000	\$ 20,000
<i>Management and other personnel costs</i>	\$ 210,000	\$ 210,000
<i>JORC resource compliance services</i>	\$ 40,000	\$ 110,000
<i>Technical or Specialist services</i>	\$ 270,000	\$ 270,000
<i>Scoping or Pre-feasibility services</i>	\$ 150,000	\$ 450,000
Landowner compensation and costs	\$ 230,000	\$ 150,000
Tenement compliance costs	\$ 59,000	\$ 59,000
Other Capital		
<i>Personnel (non project)</i>	\$ 340,000	\$ 340,000
<i>Administration + Operating</i>	\$ 180,000	\$ 180,000
<i>Working capital</i>	\$ 138,323	\$ 138,323
TOTAL USES OF FUNDS	\$ 2,862,323	\$ 2,957,323

The above table is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the results of its exploration activities, the results of studies undertaken, regulatory developments market and general economic conditions, development of new opportunities and/or any number of other factors (including the risk factors outlined in this Prospectus). The Company also intends to capitalise on other opportunities including new strategic silica acquisitions in addition to the Projects as they arise which may result in costs being incurred that are not included in the above estimates. In light of this, the Board reserves the right to alter the way the funds are applied.

6.8 Working Capital

The Board is satisfied that upon completion of the Offer the Company will have sufficient working capital to meet its stated objectives as set out in this Prospectus.

The Company may require further debt or equity fund raisings in the future to fund its exploration or development activities or capitalise on new opportunities which may arise.

6.9 Capital Structure

The proposed pro forma capital structure of the Company following completion of the Offer is as follows:

	Shares ¹	Options
Existing Securities on issue as at date of this Prospectus	59,511,665	Nil
Shares issued on completion of Offer	25,000,000	Nil
Advisor Options	-	5,000,000 ²
Total	84,511,665	5,000,000

Notes:

¹ Rights attaching to Shares are summarised in Section 15.1.

² Exercisable at \$0.25 expiring 42 months from the date of listing otherwise with the terms and conditions in Section 15.2.

Details of the Offer

Refer to Section 15.1 for the rights and obligations attaching to the Shares and Section 15.2 for a summary of the terms and conditions of the Advisor Options.

The Company has adopted an employee securities incentive plan under which the Company may grant Eligible Participants (including employees, officers and contractors of the Company) Shares, Options or Performance Rights in the future. Refer to Section 15.3 for a summary of the employee securities incentive plan.

6.10 Restricted Securities

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

It is anticipated that:

- none of the Shares issued under the Offer will be restricted securities;
- 43,032,083 Shares will be escrowed for 24 months from the date of Official Quotation (primarily held by Directors their related parties and entities holding promoter shares);
- 5,433,816 Shares will be escrowed for 12 months from the date the Shares were issued in respect of seed raised by the Company in advance of the Offer (held by parties unrelated to the Company); and
- 5,000,000 Advisor Options to be granted to the Lead Manager (or its nominee) will be subject to ASX escrow for 24 months from the date of the Company's admission to the Official List of the ASX. The restricted securities listed above are subject to change depending on the escrow periods imposed by ASX in accordance with the Listing Rules.

The restricted securities listed above are subject to change depending on the escrow periods imposed by ASX in accordance with the Listing Rules. Prior to the Company's Shares being admitted to the Official List of ASX, the Company will enter into escrow agreements with the holders of the restricted securities in accordance with Chapter 9 of the Listing Rules, and the Company will announce to the ASX full detail (quantity and duration) of the Securities required to be held in escrow.

6.11 Substantial Shareholders after Completion of the Offer

Details of the anticipated Substantial Shareholders in the Company following completion of the Offer are set out in Section 15.4.

6.12 Free Float

On completion of the Offer the Company expects that it will have a free float (within the meaning of the Listing Rules) of approximately 38.0% to satisfy the ASX condition relating to free float for the admission of the Company to the Official List of the ASX.

The free float comprises those Shares which are:

- not subject to escrow restrictions (see Section 6.10 for details); and
- not held by persons who are related parties, or associates of related parties, of the Company.

6.13 Dividend Policy

The Company does not expect to declare any dividends in the near future as its focus will primarily be on using its cash reserves to grow and develop its business.

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

Details of the Offer

6.14 Applications

Applications for Share under the Offer must be made by following the instructions at www.allupsilica.com and completing a BPAY® or Electronic Funds Transfer (EFT) 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. Alternatively, you can contact the Company on +61 8 9278 8811 between 9.00am and 5.00pm (WST) Monday to Friday to obtain a paper copy of the Prospectus and paper version of the Application Form (free of charge).

Applications for Shares must be for a minimum of 10,000 Shares (\$2,000) and thereafter in multiples of 2,500 Shares (\$500).

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

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

Applicants should confirm with their Australian financial institution:

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

If such payment is not made via BPAY®, the online 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 3.00pm (AWST) on the Closing Date.

Applicants under the Offer are urged to lodge their Application Forms or make an online Application and BPAY® or EFT payment as soon as possible as the Offer may close early without notice.

By making an Application, you declare that you were given access to this Prospectus, together with an Application Form.

If you are in doubt as to the course of action, you should consult your professional advisor.

An original, completed and lodged Application Form, together with a payment for the Application Monies by BPAY® or EFT payment through an online Application constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form including through an online Application. The Application Form does not need to be signed to be valid. If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether to treat such an application as valid and how to construe, amend or complete the Application Form is final. However an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the BPAY® or EFT payment for the Application Monies.

6.15 Application Monies to be held on Trust

Until Shares are issued under this Prospectus, the Application Monies for Shares under the Offer will be held by the Company on trust on behalf of Applicants in a separate bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus. If the Shares to be issued under this Prospectus are not admitted to quotation within three months after the date of this Prospectus, no Securities will be issued and Application Monies will be refunded in full without interest in accordance with the Corporations Act.

Details of the Offer

6.16 Allocation Policy

The allocation of Shares under the Offer will be determined by the Company in consultation with the Lead Manager having regard to the Allocation Policy of the Lead Manager and following factors:

- (a) the number of Shares applied for;
- (b) the overall level of demand for the Offer;
- (c) the desire for spread of investors, including institutional investors; and
- (d) the desire for an informed and active market for trading Shares following completion of the Offer.

The Company and the Lead Manager reserve the right to decline any Application in whole or in part, without giving any reason. Applicants whose Applications are not accepted, or who are allocated a lesser number of Shares than the amount applied for, will receive a refund of all or part of their Application Monies, as applicable. Interest will not be paid on any monies refunded. The Company will not be liable to any person not allocated Shares or not allocated the full amount of Shares applied for.

The Company's decision on the number of Shares to be allocated to an Applicant is final.

6.17 Issue of Shares

Applicants whose Applications are accepted in full will receive the whole number of Shares calculated by dividing the Application Monies by the price of the Offer. Where the price of the Offer does not divide evenly into the Application Monies, the number of Shares to be allocated will be rounded down. No refunds pursuant solely to rounding will be provided.

Interest will not be paid on any monies refunded and any interest earned on Application Monies pending the allocation or refund will be retained by the Company.

You should ensure that sufficient funds are held in the relevant account(s) to cover the amount of your payment. If the amount of your payment for Application Monies (or the amount for which those cheque(s) or bank draft(s) clear in time for allocation) is less than the amount specified on the Application Form, you may be taken to have applied for such lower dollar amount of Shares or your Application may be rejected.

Subject to ASX granting approval for quotation of the Shares, the issue of Shares will occur as soon as practicable after the Offer closes. Holding statements will be dispatched as required by ASX. It is the responsibility of applicants to determine their allocation prior to trading in the Shares.

Applicants who sell Shares before they receive their holding statement will do so at their own risk.

6.18 Acknowledgements

Each Applicant under the Offer will be deemed to have:

- agreed to become a member of the Company and to be bound by the terms of the Constitution and the terms and conditions of the Offer;
- acknowledged having personally received a printed or electronic copy of this Prospectus (and any supplementary or replacement prospectus) including or accompanied by the Application Form and having read them all in full;
- declared that all details and statements in their Application Form are complete and accurate;
- declared that the Applicant(s), if a natural person, is/are over 18 years of age;
- acknowledged that, once the Company or the Lead Manager receives an Application Form, it may not be withdrawn;
- applied for the number of Shares at the AUD amount shown on the front of the Application Form;
- agreed to being allocated and issued the number of Shares applied for (or a lower number allocated in a way described in this Prospectus), or no Shares at all;

Details of the Offer

- authorised the Company and the Lead Manager and their respective officers or agents, to do anything on behalf of the Applicant(s) necessary for Shares to be allocated to the Applicant(s), including to act on instructions received by the Share Registry upon using the contact details in the Application Form;
- acknowledged that, the Company may not pay dividends, or that any dividends paid may not be franked;
- acknowledged that the information contained in this Prospectus (or any supplementary or replacement prospectus) is not financial product advice or a recommendation that Shares are suitable for the Applicant(s), given the investment objectives, financial situation or particular needs (including financial and taxation issues) of the Applicant(s);
- declared that the Applicant(s) is/are a resident of Australia;
- acknowledged that the Company's Directors have advised that they do not intend to subscribe for Shares under the Offer, subject to the Company's discretion in consultation with the Lead Manager in accordance with the Allocation Policy;
- acknowledged and agreed that the Offer may be withdrawn by the Company and or may otherwise not proceed in the circumstances described in this Prospectus; and
- acknowledged and agreed that if a listing of the Company on the ASX does not occur for any reason, the Offer will not proceed.

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

- it understands that the Shares have not been, and will not be, registered under the US Securities Act or the securities laws in accordance with the US Securities Act registration requirements or of any state of the United States and may not be offered, sold or resold, pledged or transferred in the United States, except in accordance with the US Securities Act regulation requirements or in a transaction exempt from, or not subject to, registration under the US Securities Act and any other applicable state securities laws;
- it is not in the United States;
- it has not sent and will not send this Prospectus or any other material relating to the Offer to any person in the United States;
- it is purchasing the Shares in an offshore transaction meeting the requirements of Regulation S; and
- it will not offer or sell the Shares in the United States or in any other jurisdiction outside Australia except in transactions exempt from, or not subject to, registration requirements of the US Securities Act and in compliance with all applicable laws in the jurisdiction in which Shares are offered and sold.

6.19 Discretion regarding the Offer

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

The Company and the Lead Manager also reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications either generally or in particular cases, reject any Application, or allocate to any Applicant fewer Shares than applied for.

6.20 Applicants outside Australia

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

It is the responsibility of Applicants outside Australia to obtain all necessary approvals for the issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained.

Details of the Offer

6.21 Offer is not Underwritten

The Offer is not underwritten.

6.22 CHESS and Issuer Sponsorship

The Company will apply to participate in the Clearing House Electronic Subregister System (CHESS), for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company.

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

Under CHESS, the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their holder identification number or security holder reference number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship. Ownership of securities can be transferred without having to rely upon paper documentation.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their security holdings changes. Shareholders may request a statement at any other time, however a charge may be made for additional statements.

6.23 Risks

As with any share investment, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are detailed in Section 13 of this Prospectus. The Shares on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, applicants should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

6.24 Forecast Financial Information

Given the nature of the Company's business and the fact the Company is in an early stage of development, there are significant uncertainties associated with forecasting future revenues and expenses of the Company. In light of uncertainty as to timing and outcome of the Company's growth strategies and the general nature of the industry in which the Company will operate, as well as uncertain macro market and economic conditions in the Company's markets, the Company's performance in any future period cannot be reliably estimated. On this basis and after considering ASIC Regulatory Guide 170, the Directors believe that reliable financial forecasts for the Company cannot be prepared and accordingly have not included financial forecasts in this Prospectus.

6.25 Privacy Statement

If you complete an Application for Shares, you will be providing personal information to the Company. The Company will collect, hold and will use that information to assess your Application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

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

Details of the Offer

You can access, correct and update the personal information that the Company holds about you. If you wish to do so, please contact the Share Registry at the relevant contact number set out in this Prospectus.

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

6.26 Taxation

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

6.27 Enquiries

This is an important document and should be read in its entirety. Investors should consult with their professional advisors before deciding whether to apply for Shares under this Prospectus. Any investment in the Company under this Prospectus should be considered speculative.

Questions relating to the Offer can be directed to the Company on +61 8 9278 8811 between 9.00am and 5.00pm (WST) Monday to Friday.

Questions relating to the completion of an Application Form can be directed to the Share Registry on +61 3 9909 9909 between 9.00am and 5.00pm (EST) Monday to Friday.

07

COMPANY AND PROJECTS OVERVIEW

Company and Projects Overview

7.1 Background

The Company was incorporated and registered in Western Australia on the 5th of April 2013.

It was a non-operating and dormant company from registration until May 2020, when at that time, it established itself as a minerals' explorer with a view to developing, and ultimately producing silica mineral resources located within Western Australia. During this investigative phase it looked for a mix of site locations, ideally those with potential for high-purity grades of silica, balanced with the opportunity to efficiently and cost effectively treat and then transport those resources to/from processing facilities close to their port facilities.

These investigations led to the identification of target areas in both northern and southern locations of the State, with a variety of options, including that of Wyndham Port in the north-east of WA being in much closer proximity to the ports of the Asia-Pacific (APAC) region than those ports of the south.

The Company has been granted, acquired, or made application for twelve tenement land holdings across several project site locations.

These tenements are located in different project areas within Western Australia, one being the 'South-West Silica Exploration Projects' of **Unicup**, **Antwalker** and **Pipeclay Tree** in South-Western WA, the 'Argyle Silica Exploration Projects' consisting of **Big Cecil**, **Cabbage Spot** and **Nearby Post** in the north and the 'Esperance Silica Exploration Project' of **Pink Bark** and **Dune Buggy** in the Southern Goldfields.

The Company's activities to date have included:

- the acquisition of and application for the tenements
- the sourcing and re-interpretation of historical exploration works
- site visits
- application for Provision of Works
- landowner communications and agreements
- limited geological sampling and analysis
- drill program, bulk sampling, analysis and metallurgical works
- preparation of an Independent Geologist's Report (which can be found at Section 9)
- management of exploration licences and administrative expenses
- environmental studies and preparation of Conservation Management Plan
- development of Company policies and training/certifications

The Company has focused on raising seed capital, and defining and undertaking the initial exploration programs on each of its Projects.

The proposed strategy for the Company is to focus on the development of its Unicup project with continued exploration and updating of its Minerals Resource estimations to higher levels of JORC compliance. It intends also to undertake further exploration at Cabbage Spot in the Argyle Project as soon as practicable. The results of the exploration programs and technical studies will determine the economic viability and further possible exploration and/or testing required and will include the pre-feasibility studies at the Projects.

In addition, the Company will continue to explore other mineral exploration opportunities and to grow its suite of Projects by acquisition, application or joint venturing into areas surrounding and adjacent to both northern and southern Projects, as well as in other areas which support the Company's key business objectives.



Figure 7.1. Project Site Locations.

Company and Projects Overview

7.2 Location for the South-West Silica Exploration Projects

The South-West Silica Exploration Projects sites are located approximately 300km south of the capital city of Perth in the south-western region of Western Australia. The most eastern site is known as Unicup, with the western site called Antwalker/Pipeclay Tree.

These regions have a history of exploration, some of which falls within the tenement areas of the Projects. No large scale mining has occurred within the tenement areas; however, many other operating mining projects and primary industry are located within these regions. As a result, infrastructure has been well established for mining, agriculture and the community.

Each location can be accessed via excellent quality all-weather sealed highways and major roads, while the tenement areas are readily accessible by some sealed and gravel/sand access roads. The local roads, some of which may require upgrade to support any mining operations, are typically accessible and suitable for access by exploration teams and associated equipment including drill rigs.

The location of each of these Projects also gives access to the major highways needed to transport the resource to holding, processing and shipping facilities should exploration be successful and mining operations are commenced.



Figure 7.2. Location of South-West Silica Exploration Tenements.

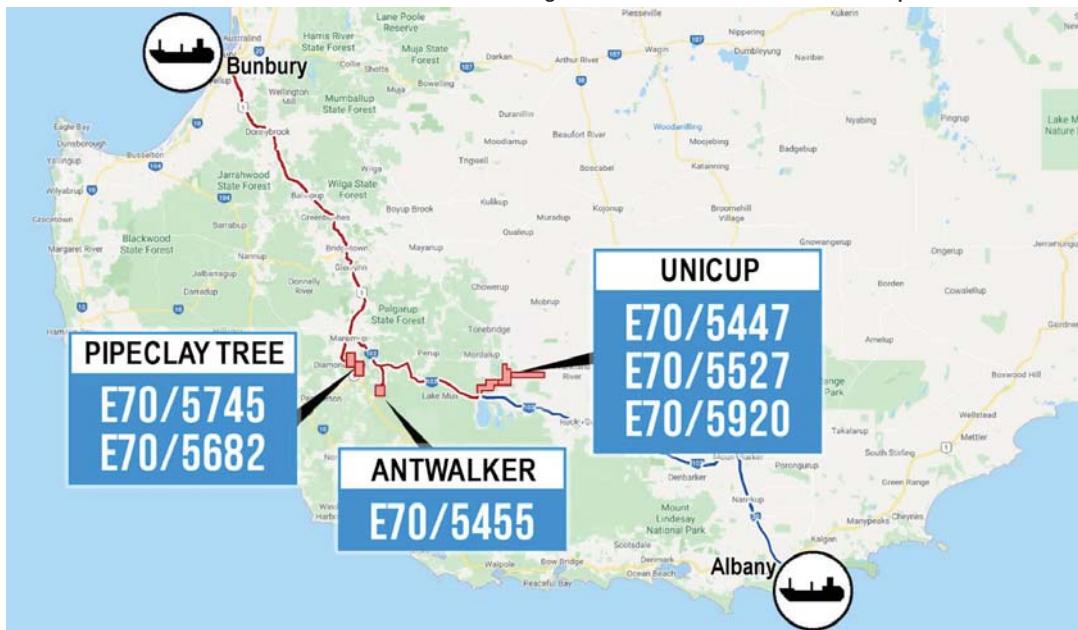


Figure 7.3. Location of South-West Silica Exploration Tenements showing distance from Ports.

Company and Projects Overview

7.3 Details for the South-West Silica Exploration Projects

Geology

The Company's tenements are located on elevated sand plains and the residual laterite terrain of the Biranup Zone in the Proterozoic Albany-Fraser Orogen of South-Western Australia.

It is underlain by quartz-feldspathic gneisses, mainly derived from granitoid rocks of the Biranup and Nornalup Complexes.

These high grade, pure quartz silica sands are part of the mid to late Eocene Werillup Formation, which consists of alluvial river sands and gravel, laid on low grade coal and lignite laid down in coastal swamps. The host stratigraphy is up to 64m in thickness and crop out at surface.

The geological setting of the tenements is prospective for silica sand potential as detailed in the Independent Geologist's Report, at Section 9.

Unicup Project

The Unicup Project encompasses three granted exploration licences E70/5447, E70/5527 and E70/5920. These tenements are located close to the Muirs Highway. The Figure 7.4 shows the location of the three tenements in relation to local nature reserves and State forests. The project is relatively unencumbered by these areas, however the underlying land is generally freehold land and consent will be required to undertake on ground exploration activities. The Company has land access and compensation agreements in place with landowners in respect to areas of interest for exploration within the Project area.

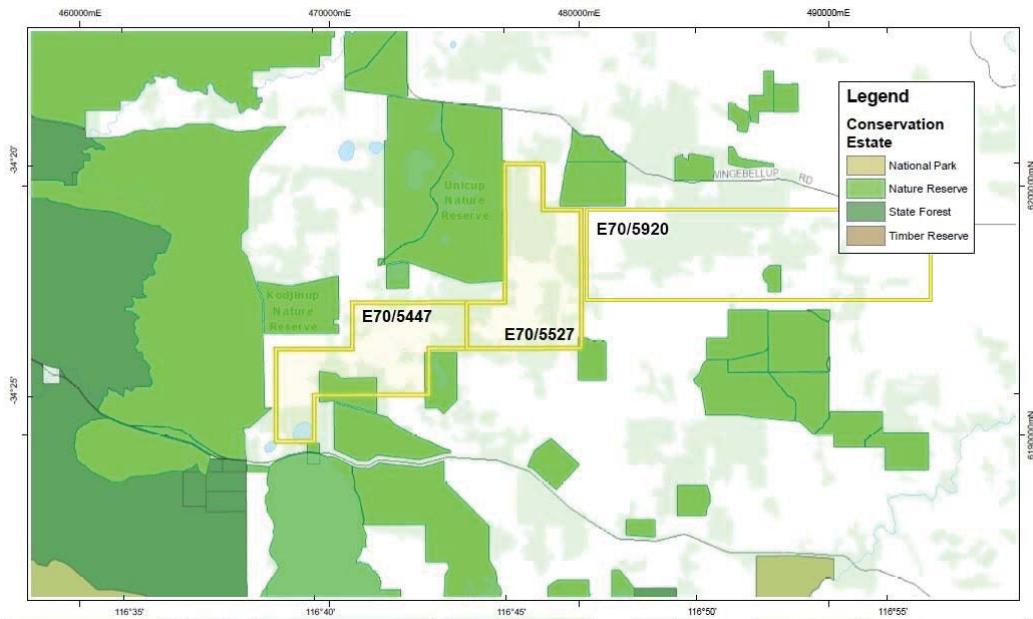


Figure 7.4. Unicup Project with Conservation Areas.

The Unicup Project is located on poorly drained flats with lakes and low dune and undulating low hills and rises. The sediments of the area are part of the Werillup formation consisting of either carbonaceous clays and silts interbedded with fine to coarse grained quartz sands or thick beds of carbonaceous clay through to carbonaceous sandy silts. The distribution of the sediments is poorly understood due to extensive cover by ferricrete, alluvium and colluvium.

There is a sharp bedding contact between quartz sands and underlying clays or clayey silts. Quartz sands are poorly to moderately sorted, fine to coarse grained, with grains being angular to subangular.

Company and Projects Overview

An overview of the local geology at Unicup Project is shown in Figure 7.5. Deeper palaeochannels potentially containing significant sand deposits are also shown.

Unicup Project Mineral Resource Estimate

Auranmore Consulting were engaged by Allup Silica Limited to undertake a Mineral Resource Estimate (MRE) for the Unicup Silica Sand Project.

The Mineral Resource Estimate complies with recommendations in the Australasian Code for Reporting of Mineral Resources and Ore Reserves (2012) by the Joint Ore Reserves Committee (JORC). The Minerals resource Estimate was compiled by Richard Maddocks, MSc in Mineral Economics, BAppSc in Applied Geology and Grad Dip in Applied Finance and Investment. Mr. Maddocks is an employee of Auranmore Consulting and is a Fellow of the Australasian Institute of Mining and Metallurgy (111714) with over 30 years of experience. Mr. Maddocks has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code.

The Unicup Silica Sand Project Mineral Resource Estimate is summarised in Table 7.1. This estimate is in accordance with JORC Code (2012) guidelines and is effective as of 21 October 2021.

Refer to Section 2.4 of the Independent Geologist's Report for further detail on the Unicup Silica Sand Project Inferred Mineral Resource Estimate.

Table 7.1: Unicup Silica Sand Project Inferred Mineral Resource Estimate

Tonnes	SiO ₂ %	Al ₂ O ₃ %	Fe ₂ O ₃ %	TiO ₂ %	LOI %
73,000,000	96.6	1.1	0.41	0.47	0.68

Figure 7.5 shows the location of the Unicup Silica Sand Project Inferred Mineral Resource Estimate.

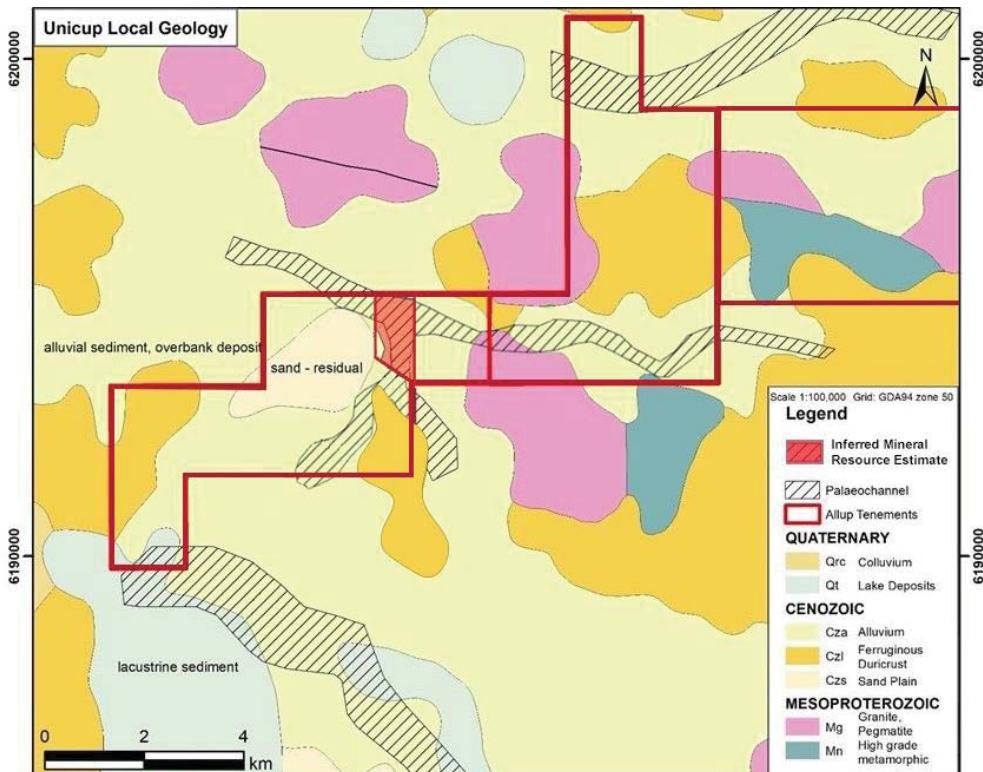


Figure 7.5. Unicup Project with Geological Formations.

Company and Projects Overview

Antwalker and Pipeclay Tree Projects

The Antwalker Project is located 26km from Manjimup, with the Pipeclay Tree Project being 13km from Manjimup. Figure 7.6 shows the tenements in relation to conservation areas. Whilst the majority of the tenure is outside of these areas there is some State Forest encroaching upon it. Should the Company intend to explore these areas it will require government approval for certain exploration activities. In addition, any underlying freehold title will also require permissions for certain exploration activities. The Antwalker Project area of exploration interest is in a State Forest and in accordance with the requirements, the Company has prepared and submitted a conservation management plan with the Department of Conservation, Biodiversity and Attractions. If approved the tenement will be granted and works approved for the exploration program submitted as part of the conservation management plan.

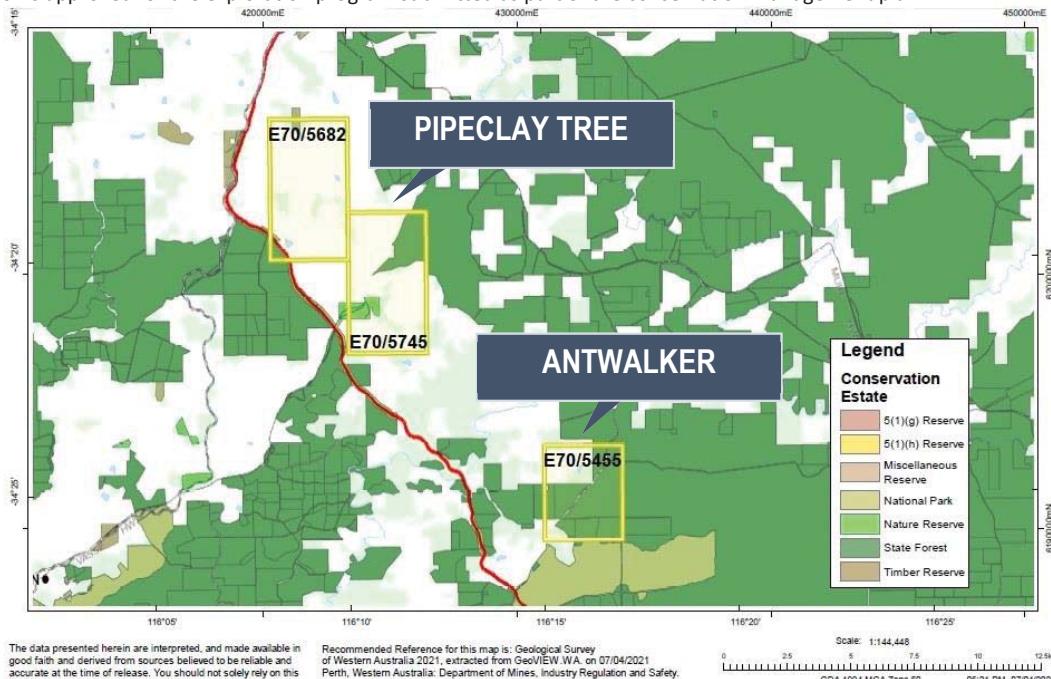


Figure 7.6. Antwalker/Pipeclay Tree Project with Conservation Areas.

A drill traverse by BHP on the Antwalker tenement in 2000 showed a thick layer of transported sand up to 27m on a clay rich saprolite profile on basement rocks of medium grained feldspar-quartz-biotite gneiss. The sand cover seems to be more extensive than indicated on the smaller scale geological mapping.

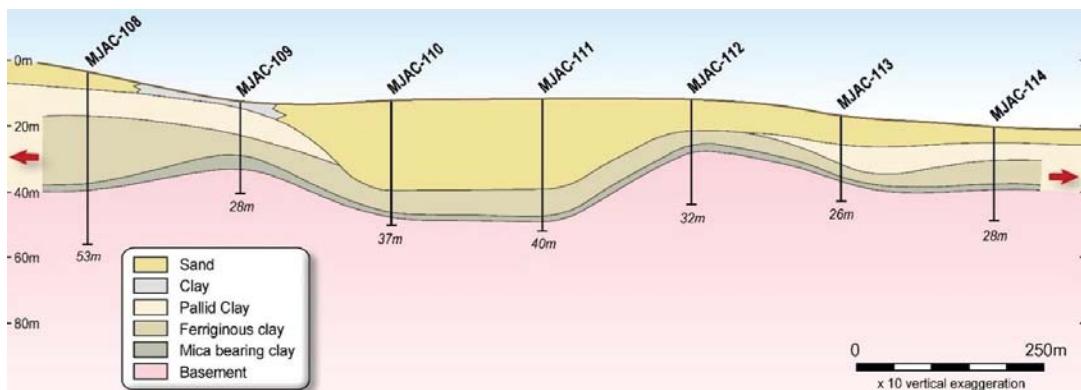


Figure 7.7. Antwalker/Pipeclay Tree Project with Section of BHP Core Drilling Results.

Company and Projects Overview

This drilling indicates the presence of deeper sand filled channels within the surficial deposits. The cross section through the drilling is shown in Figure 7.7. This section shows the extent of the sand horizon and the significantly deeper channels excised into the underlying granitic bedrock.

The Antwalker Project Exploration Target is based on E70/5455 only. The tonnage is based on the area immediately surrounding the drilling where a palaeochannel has been identified (see Figure 7.8). At this stage there has been insufficient exploration on the Pipeclay Tree tenements E70/5682 and E70/5745 to justify the estimation of Exploration Targets on these tenements.

Refer to Section 2.5 of the Independent Geologist's Report for further information on the Antwalker Project Exploration Target.

Antwalker		Before Beneficiation Processing
Tonnage Range	Minimum	Maximum
Exploration Target	20,000,000	40,000,000
Grade		
Silica (SiO_2) %	97%	99%
Inclusions	Lowest	Highest
Iron Oxide (Fe_2O_3) % (ppm)	0.04% (400)	0.08% (800)
Titanium Dioxide (TiO_2) % (ppm)	0.35% (3500)	0.55% (5500)
Alumina (Al_2O_3) % (ppm)	0.03% (300)	0.07% (700)
LOI % (moisture and volatiles)	0.70%	1.00%
Pipeclay Tree		
EL 70/5682	No Exploration Target Established	
EL 70/5745		

The potential quantity and grade of an exploration target is conceptual in nature. There has been insufficient exploration to determine a mineral resource and there is no certainty that further exploration work will result in the determination of mineral resources or that the production target itself will be realised.

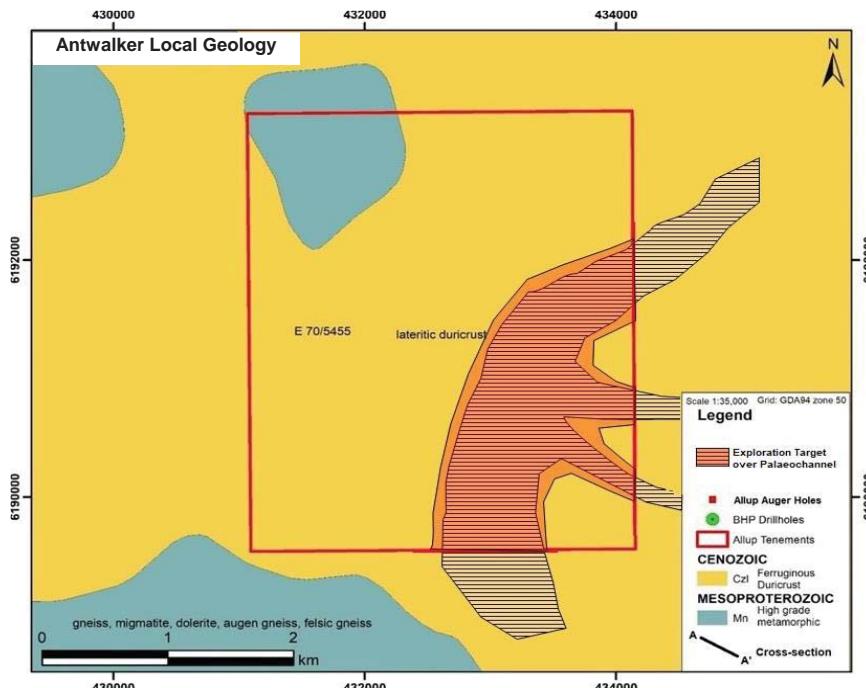


Figure 7.8. Antwalker/Pipeclay Tree Project with Geology and Exploration Target Area.

Company and Projects Overview

7.4 Location for Argyle Silica Exploration Projects

The Project sites are located approximately 2,200km (direct distance) north of the capital city of Perth, or 3,200km if travelling by road. It is in the Kimberley Region of Western Australia. This region has a long history of exploration and is home to a number of mining operations, including that of the successful, but recently closed Argyle Diamond Mine, which is nearby.

Infrastructure in this region is well developed despite being so remote. It has all-weather roads, hydro-electric power, an abundance of water and good communication structures for mobile and internet connectivity.

The tenements have access to the Great Northern Highway, rated to operate quad-trains (4 trailers on a prime-mover), and are located between 90km and 120km from the Port of Wyndham.



Figure 7.9. Location of Argyle Silica Exploration Tenements.

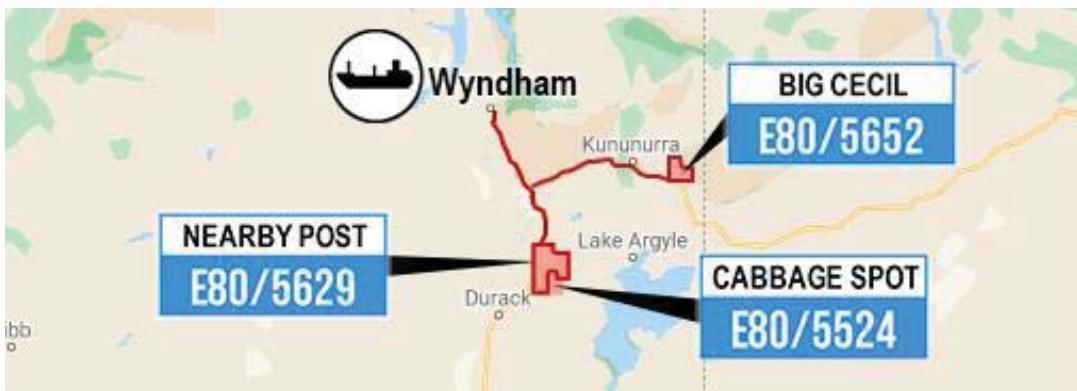


Figure 7.10. Location of Argyle Silica Exploration Tenements showing distance from Port.

Company and Projects Overview

7.5 Details for the Argyle Silica Exploration Project

Geology

The surficial deposits covering the area of E80/5629 and E80/5524 are dominated by alluvium and colluvium associated with the confluence of the Dunham River and Cabbage Tree Creek. This consists of sands, gravels and clays overlying the Devonian, Cambrian and earlier Proterozoic rock units. Figure 7.11 shows the two tenements with the surface geology mapping from the 1:250000 Lissadell mapsheet, SE52-2. The colluvial and alluvial deposits are shown in yellow with the occasional outcrop of the underlying Devonian sandstone (labelled DC on map). Figure 7.12 shows the geology of E80/5652 from the Cambridge Gulf 1:250000 SD52-14 map-sheet, with the recent alluvial sediments associated with the Eight Mile Creek making up the majority of the tenement area.

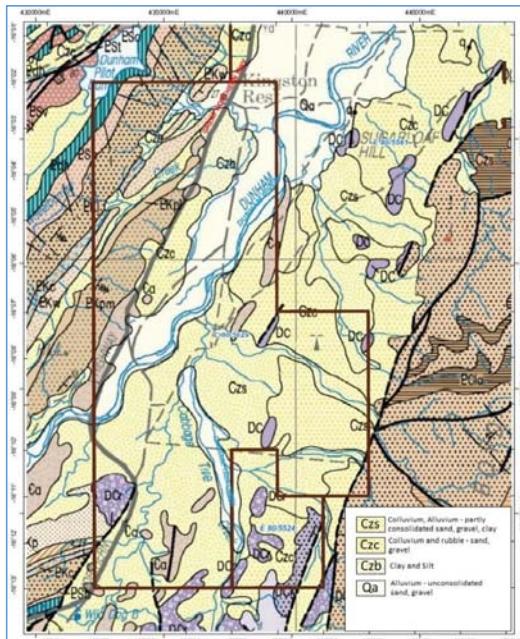


Figure 7.11. Geology of Argyle Silica Exploration Tenement E80/5629

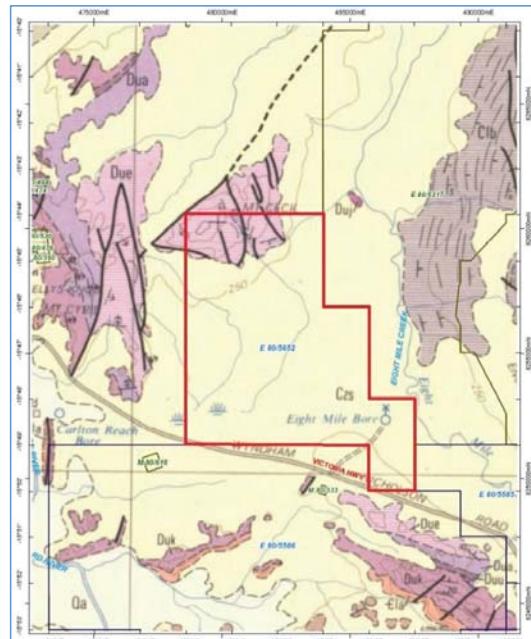


Figure 7.12. Geology of Argyle Silica Exploration Tenement E80/5652

Exploration History

The region of the project area has an extensive exploration history mainly targeting diamonds and base metals. There has been no recorded exploration targeting high quality silica sands. Diamond exploration has been focussed on the search for kimberlite pipes and alluvial diamonds.

In 2021 Allup Silica conducted a sampling program within E80/5524. These were grab samples taken from surface with a shovel. Sample locations are shown in Figure 7.13.

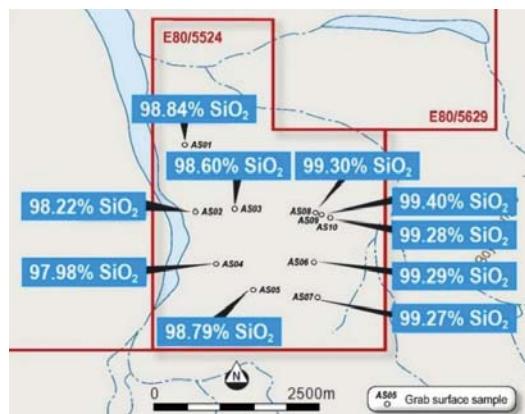


Figure 7.13. Argyle Silica Exploration Tenement E80/5524 showing Sample Locations.

7.6 Location for the Esperance Silica Exploration Project

The Esperance Project consists of two granted exploration licences E63/2137, E63/2139 and one pending application E63/2138. Two of the tenements, called Pink Bark Project are approximately 110km from the port, situated between the two small townsites of Salmon Gums and Grass Patch in the Shire of Esperance. These tenements are located on a combination of Crown and private landholdings. The third tenement is called Dune Buggy Project and is located on Crown land approximately 20km from port. At this time all tenements are either under-developed or undeveloped.



Figure 7.14. Location of Esperance Silica Exploration Tenements showing distance from Port.

7.7 Details for the Esperance Silica Exploration Project

Dune Buggy

Exploration of the Dune Buggy Project has been very sparse with only reconnaissance work being recorded. It remains unexplored and at this time is an area of interest for future investigation. The Project area is located on Crown land and subject to approvals, the Company intends to undertake a progressive exploration program starting with sampling, analysis and metallurgical investigations and subject to these results progressing to a far more extensive program of drilling and further works.

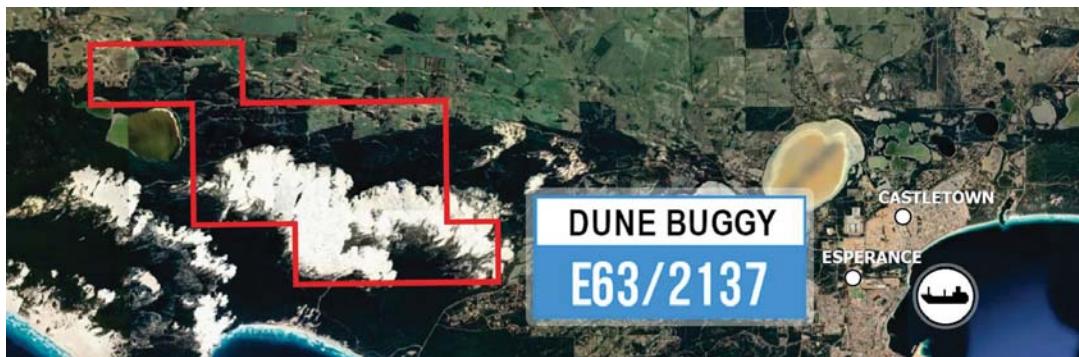


Figure 7.15. Aerial view of Esperance Silica Exploration Tenement E63/2137.

Company and Projects Overview

Pink Bark

Exploration on the Pink Bark tenements has been limited to a series of air-core holes drilled in 2009 by Triton Gold Ltd targeting gold mineralisation in the basement rock. These holes intersected overlying sand horizons and the geological logs have recorded sand thickness up to 14 metres deep from surface, but no assay results for silica content were completed. Accordingly it remains unexplored for silica sands and is at this time an area of interest for future investigation.

The Project area is located on both Crown land and private land. Private landowners will be required to enter into an Exploration Agreement with the Company before any future works can be undertaken, this will be at their sole discretion and at this time no such agreements have been sought or received. Should the Company receive the consent of the landowners, then once approvals are received, the Company intends to undertake a progressive exploration program starting with sampling, analysis and metallurgical investigations and subject to these results progressing to a far more extensive program of drilling and further works.

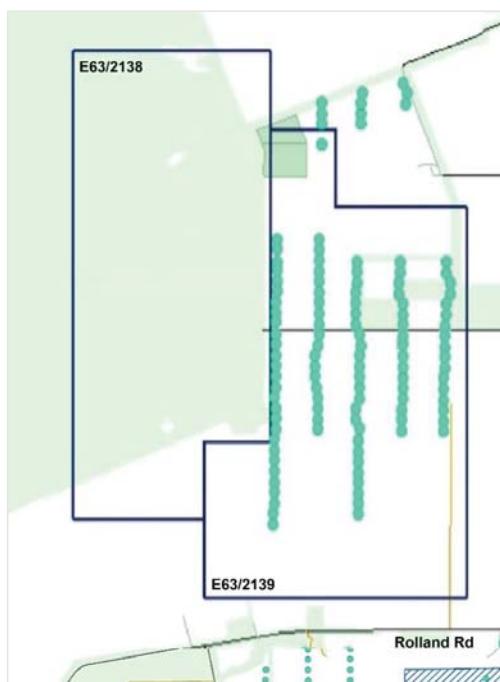


Figure 7.16. Esperance Silica Exploration
Tenement E63/2138 showing Air-Core Drill Holes.

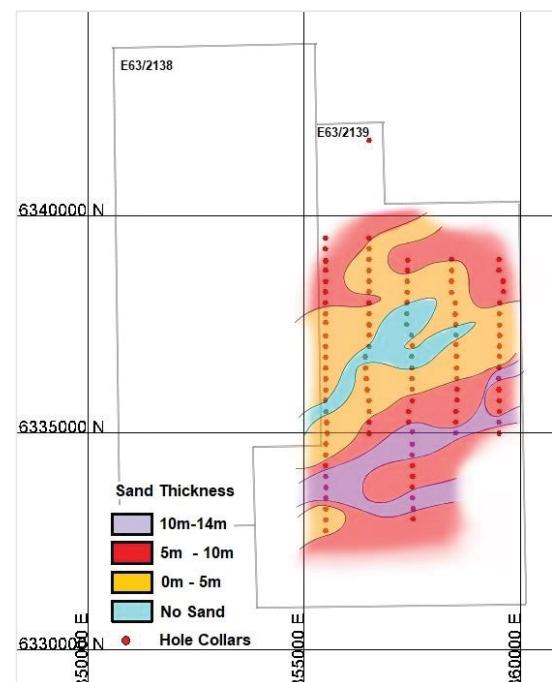


Figure 7.17. Esperance Silica Exploration
Tenement E63/2138 showing Sand Contours.

Company and Projects Overview

7.8 Silica Sand Exploration

Silica sand exploration differs from typical metals exploration. This is because silica sands are generally found either at, or very near the ground's surface, to depths generally ranging no greater than 20 – 30 metres.

Generally speaking, silica sand targets are first identified from within a known geological region, at surface, through visual inspection. Initial shallow sampling then occurs at depths no greater than 2 metres. This provides the primary guidance on the silica sand specifications in its raw unprocessed form.

The results of this sampling help determine an area of interest.

Once an area of interest is identified, further machine drilling is performed to identify the size and dynamics of the silica resource through further analysis. Then, based on the chemical composition analysis results, selected bulk sample volumes are chosen for metallurgical processing studies.

7.9 Proposed Exploration and Development Programs

- (a) Subject to approvals, the Company proposes to continue its exploration and development program at the **Unicup** location within the South-West Project. Previous exploration and drilling have indicated the presence of silica sands with high levels of silica purity, and additional work is justified to fully test the potential economic viability of mining activities.
- (b) Subject to approvals, the Company proposes to conduct an exploration and development program at the **Cabbage Spot** location at the Argyle Project. This is based on the sampling results that indicated the presence of silica sands in this region with high levels of silica purity, and additional work is justified to fully test the potential economic viability of mining activities.
- (c) Exploration for silica sand at the **Nearby Post** and **Big Cecil** tenements, (also part of the Argyle Project), is at a very early stage with no drilling or sampling yet undertaken. Field reconnaissance has indicated the presence of sand, but the full extent of this is yet to be properly tested.
- (d) Subject to approvals, additional exploration is also warranted at the **Antwalker** location, located in the South-West Project. Historic drilling by BHP Minerals indicated the presence of significant sand deposits on this tenement.
- (e) Exploration for silica sand on the **Pipeclay Tree** tenements, also located within the South-West Project, is at a very early stage with no drilling or sampling yet undertaken. Subject to approvals, the Company proposes to conduct sampling and thereafter further exploration drilling and analysis.
- (f) Exploration for silica sand on the **Pink Bark** and **Dune Buggy** tenements of the Esperance Project is at a very early stage with no drilling or sampling yet undertaken. Field reconnaissance has indicated the presence of sand, but the full extent of this is yet to be properly tested.

Typically, work will include all the required studies and approvals to conduct a drilling program to fully delineate the depth and extent of the target sand horizon, including heritage and environmental studies and approvals.

Assaying of the drilling results will determine the silica grade, along with the grade of other relevant elements and potential contaminants. The aim of this initial drilling program is to estimate the extent of mineral resources. With a 'Minerals Resource Estimate' it may be possible to progress to mining studies.

Following on from this, additional exploration will include all the associated work needed to progress the Projects to a minerals reserve, should the drilling results and mining studies prove successful. This work will include hydrogeological and geotechnical studies. Throughout the process, metallurgical and beneficiation analysis will also be required to identify the processed silica sand typical specifications after it has been processed. Additional metallurgical test-work will then be required to finalise these optimal processing routes.

It is important to note that each step of the proposed program will be carried out contingent upon the success of the preceding activity.

Company and Projects Overview

7.10 Proposed Budget

Estimates of expenditure to be incurred to carry out the proposed programs are summarised in Section 6.7 and further detailed on a Project-by-Project basis in the Independent Geologist's Report in Section 9.

The proposed exploration programs and budgets is contained in the Independent Geologist's Reports are a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the results of its exploration activities, the results of studies undertaken, regulatory developments, market and general economic conditions and development of new opportunities and or any number of other factors (including the risk factors outlined in this Prospectus).

The Company also intends to capitalise on other opportunities including new strategic acquisitions in silica and other related minerals in addition to the Projects as they arise which may result in costs being incurred that are not included in the above estimates. In light of this, the Board reserves the right to alter the way the funds are applied.

7.11 New Strategic Acquisitions

In addition to progressing the Projects, the Company intends to assess new strategic acquisitions that may come to its attention following completion of the Offer. In particular, the Company will be actively canvassing other mineral resource opportunities including those that are prospective for silica and other minerals. The Company may incur costs associated with due diligence or pay exclusivity fees in relation to the assessment of potential new projects which may not progress. Such costs have not been included in the use of funds for the Offer included in this Prospectus. As at the date of this Prospectus, the Company is not aware of any new opportunities but, as detailed above, the Company intends to assess such new opportunities as they arise following completion of the Offer.

7.12 Silica. An Essential Resource.

High-grade silica sand is a key raw material in the industrial development of the world.

High-grade silica sand contains a high concentration (typically over 98%) of silicon dioxide (SiO_2), and is used for applications other than construction sands. Unlike construction sands, which are used because of their physical properties, high grade silica sands are used because of the combination of chemical and physical properties.

Glassmaking silica sand is the main component in the manufacture of all types of standard and specialty glass. It provides the essential SiO_2 component of glass formulation and its chemical purity is the primary determinant of glass colour, clarity and strength.

Products made from high-grade silica are everywhere, with modern cities and lifestyles being constantly shaped by sand.

- All types of glass require it.
- Computers, mobile phones and other intelligent devices all require silicon chips.
- Electric vehicles with their lithium-ion batteries won't function without it.
- Photovoltaic cells have an enormous need for high purity levels of silica sand.
- Building and construction materials use it, as in kitchen taps, ceramics, paints and coatings.
- Foundries require it to form moulds for ferrous (iron and steel) and nonferrous (copper, aluminium, brass, etc.) metal castings.
- Metallurgy, chemicals production and the recovery process for oil and gas all rely on it.



Image of silica sand from result of rapid disc magnetic separation (non-magnetic) of bulk sample from tenement E70/5447.

Company and Projects Overview

It is used to produce flat glass for both building and automotive use, container glass for foods and beverages, and tableware. In its pulverised form, ground silica is required in the production of fibreglass insulation and for reinforcing glass fibres. Specialty glass applications include test tubes and other scientific tools, incandescent and fluorescent lamps. The accelerating growth being experienced within the renewables sector is particularly notable, because silica is the main component used in the construction of solar panels.

7.13 Additional Information

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

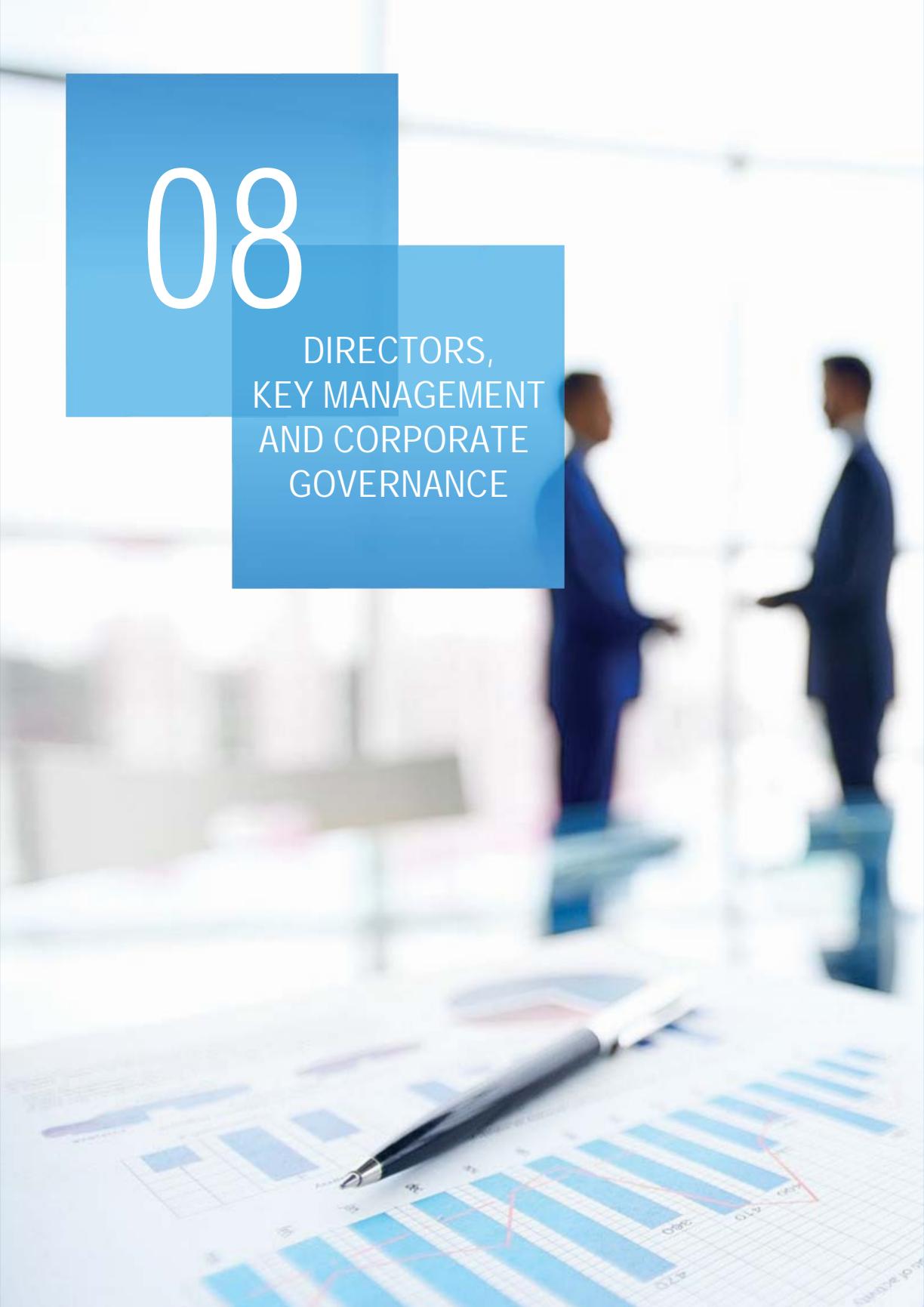
- (a) Independent Geologist's Report in Section 9 for further details about the geology, location and mineral potential of the Projects; and
- (b) the Mining Tenement Report in Section 10 prepared by the Company's solicitors in respect to the Company's interests in the mining tenements comprising the Projects.



Aerial image from tenement E63/2137 and surrounding area.

08

DIRECTORS, KEY MANAGEMENT AND CORPORATE GOVERNANCE



Directors, Key Management and Corporate Governance

8.1 Director Profiles

The Board currently comprises:

- Andrew Haythorpe - Executive Chairperson
- Nicholas Revell - Executive Director
- Gavin Ball - Executive Director
- Campbell Smyth - Non-Executive Director

Brief profiles of the Directors of the Company are set out below.

Andrew Haythorpe

Executive Chairperson (Non-Independent)

Andrew has had a long professional career in the resources industries as a geologist, analyst and company director, including many directorships with executive responsibilities.

Andrew currently holds the position as executive chairperson and founder of the Company, in addition to that of managing director of Stunala Metals Limited. He is also non-executive director for Tempest Minerals Ltd (ASX:TEM), where he formerly acted as managing director of the company for a period of time.

His extensive past experiences include that of executive director Accelerate Resources Ltd (ASX:AX8) and managing directorships for companies such as Petratherm Ltd (ASX:PTR), Liberty Resources Ltd (ASX:LBY), Crescent Gold Ltd and Michelago Ltd. He has been chairman of Wangle Technologies Ltd, Aurox Resources Limited, Central Kalgoorlie Gold Mines Limited and Intergold Ltd (Golden Heritage Ltd, Adex Holdings Ltd).



He graduated from James Cook University (Queensland) in 1984 where he was awarded a Bachelor of Science (geology double major) with Honours conferred the following year. He then entered the Securities Institute of Australia to study areas such as Corporate Finance, Security Analysis, Portfolio Management, Securities Industry Law and Economics just to name a few. As a result of these studies, he lectured in Mining Analysis for the Securities Institute of Australia in Perth, Western Australia.

His long career has been rewarded with fellowships/memberships including Fellow of the Australian Minerals Institute (AusIMM) and Member of the Australian Institute of Company Directors (AICD).

Nicholas Revell

Executive Director (Non-Independent)

Nicholas (Nick) has had an extensive and respected professional career as a geologist and he has also held several directorships since his career began.

His early work in the Western Australian minerals and resources industry sector exposed him to a variety of geological roles and responsibilities. This has all contributed to his wide-ranging knowledge and experience.

In 2007-09 he was appointed chief exploration geologist and technical director for MacArthur Minerals Ltd (TSX-V:MMS), in 2009-10 as technical director Riviera Resources Ltd, 2010-16 as founding director of Top Iron Pty Ltd and 2016-19 as technical director for Tyranna Resources Ltd (ASX:TYX). Nick is currently working as a geology consultant, and has been a founding director of the Company since May 2020.



He first graduated in 1985 with a Certificate in GeoScience from the Canberra College of Technical & Further Education (ACT). This was followed by a Bachelor of Applied Science (geology major) from the University of Canberra (ACT) in 1990. He went on to study Business, being awarded a Certificate of Frontline Management from the Monash Mt Eliza Business School in 2000. He is certified as a competent person as defined by the 2012 JORC Code for ASX compliance reporting.

Directors, Key Management and Corporate Governance

Gavin Ball

Executive Director (Non-Independent)

Gavin is a business manager and entrepreneur who has over 30-years of hand-on skill and intellectual expertise in the start-up, commercial development, growth and ongoing management of businesses. He has proven management, financial and accounting skills sets, with a strong sales and marketing focus.

Gavin currently holds the position of commercial director for the Company as well as holding directorships of Stunalarra Metals Limited and RLF AgTech Ltd. He is chairman of Vorian Investment (Holdings) Pty Ltd, and through this entity has interests in a variety of other enterprises including human resources, audio/video services, environmental and medical technologies.

His past associations have been as founding partner and director of AMT Group (1999-2005, reappointed 2011-12), and he has also held interests in finance, technology and real estate organisations.



Campbell Smyth

Non-Executive Director (Independent)

Campbell's professional career is in fund management, capital markets and the corporate finance sector. He has experience in most major equity markets, primarily the ASX and TSX, as well as both listed and private equity in North America, Europe and Asia.

Prior to this, Campbell focused in funds management of mutual and specialist sector hedge funds, and a specialist in commodities (trading, capital raising and financial analysis). He has extensive knowledge of the financial and commodity markets, with portfolio management positions with Lion Resource Management (manager of the Midas Fund & the Ermitage Global Mining Fund), and AIMS Asset Management (Phoenix Gold Fund). In addition, his experience in corporate advisory/venture capital since 2001 has been through his personal companies Cornerstone Advisors Pty Ltd and Clariden Capital Pty Ltd.



Campbell is a graduate of the University of Western Australia, Perth Western Australia, where he was awarded a Bachelor of Commerce (Finance and Accounting major) in 1990, with postgraduate studies in European Economics at Pembroke College, Oxford (1991). The non-executive director roles he currently holds are with Nubian Resources Ltd (NBR:TSXV), Allied Copper Ltd (CPR:CSE), Amani Gold Limited (ASX:ANL), GoldOz Ltd (ASX:G79) and the Company. He is also non-executive chair for Norseman Silver Ltd (NOC:TSXV) and Orange Minerals Pty Ltd.

Directors, Key Management and Corporate Governance

8.2 Key Management Personnel

In addition to the Directors as set out in Section 8.1, the following persons are key management personnel with the Company.

Mark Lester

Chief Financial Officer

Mark has worked as an Auditor for over 40 years, and his considerable professional and commercial experience has allowed him to work collaboratively with many industry sectors as well as government, and includes also the important work undertaken by the not-for-profit sector, as well as indigenous enterprise and compliance with Native Title legislation.

His professional career began in 1977 when he worked for Arthur Andersen & Co, Perth WA. Between 1977 – 1983 he held the roles of Audit Assistant, Audit Senior and Audit Manager, working with industry portfolios as diverse as oil and gas, finance, retail, manufacturing, primary industry, insurance, property and government. He then progressed through several other career-building positions in both Western Australia and Tasmania. From 1996 onwards, Mark worked in Perth, WA in Senior Manager/ Partner/Managing Partner Chartered Accountant roles, until he sold his practice in 2017. He now provides Consultancy services.



Mark's commercial relationships have been as company secretary and CFO for Meditech Research Limited (2001-06) and as non-executive director for Clancy Exploration Limited (2007-11) now known as Rarex Limited (ASX:REE). Mark joined the Company in May 2020 as chief financial officer/company secretary. His voluntary contribution from 2012-17 as director/company secretary for the State Library of Western Australia Foundation in Perth, WA has also been invaluable.

He is a graduate of the University of Western Australia, being awarded a Bachelor of Commerce degree (major accounting) in 1976, and is currently an Associate Member of the Institute of Chartered Accountants Australia (CAANZ).

Benjamin Donovan

Company Secretary

Ben is a member of the Governance Institute of Australia and provides corporate advisory, IPO and consultancy services to a number of companies. He is currently Company Secretary for several ASX listed and public unlisted companies, with his experiences ranging across the resources, agritech, biotech, media and technology industries. Ben has extensive experience in listing rules compliance and corporate governance, and in addition in capital markets by raising capital and assisting companies achieve an initial listing on the ASX.



Directors, Key Management and Corporate Governance

8.3 Directors' Interests

Other than as set out in this Prospectus, no Director has, or had within two years before lodgement of this Prospectus with 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 the Offer; or
- (c) the Offer, other than intending to subscribe for Shares under the Offer as detailed in Section 8.4,

and the Company has not paid any amount or provided any benefit, or agreed to do so, to any Director, either to induce that Director to become, or to qualify them as a director of the Company, or otherwise, for services rendered by them in connection with the formation or promotion of the Company or the Offer.

8.4 Directors' Security Holdings

Directors are not required under the Constitution to hold any Shares. Set out in the table below are details of the relevant interests of the Directors in Securities as at the date of this Prospectus.

Director	Shares		Incentive Options Number
	Number	%	
Andrew Haythorpe	11,500,000	19.3%	Nil
Nicholas Revell	11,500,000	19.3%	Nil
Gavin Ball	12,143,750	20.4%	Nil
Campbell Smyth	2,291,666	3.9%	Nil

Directors have advised that they do not intend to subscribe for Shares under the Offer. Accordingly, the maximum relevant interests of the Directors in Shares of the Company on completion of the Offer is set out below.

Director	Shares	
	Number	% interest (on IPO)
Andrew Haythorpe	11,500,000	13.6%
Nicholas Revell	11,500,000	13.6%
Gavin Ball	12,143,750	14.4%
Campbell Smyth	2,291,666	2.7%

As at the date of this Prospectus, none of the Directors hold any other securities in the Company or rights to acquire any Shares in the Company.

8.5 Director's Participation in the Offer

Directors are entitled to participate in the Offer by subscribing for Shares on the same terms and conditions as other Applicants. The Directors have advised that they do not intend to subscribe for the following Shares under the Offer.

Directors, Key Management and Corporate Governance

8.6 Disclosure of Other Interests of Directors

8.6.1 Service Arrangement with Magicorp

Gavin Ball has a controlling interest in Magicorp Pty Ltd which provides consumables, equipment and other digital services to the Company, including website and domain services and other services on an as required basis. The Company is charged Magicorp's standard fees which as at 1 December 2021 totalled \$2,108. Fees charged by Magicorp are the recovery of the cost of the services provided plus a commercial margin. These services are not contracted under an agreement because they are only required on an as needed basis.

Arrangement	FY 2021	FY 2020	FY2019
Service Arrangement with Magicorp	\$1,251	\$0	\$0

8.7 Remuneration of Directors

The Constitution provides that the remuneration of Non-Executive Directors will not be more than the aggregate fixed sum determined by a general meeting of Shareholders or, until so, by the Directors. The aggregate remuneration for Non-Executive Directors has been set by the Board at an amount not to exceed \$250,000 per annum. The Board has resolved that the Non-Executive Directors' fees will be \$36,000 per annum (plus statutory superannuation) for Campbell Smyth as the Non-Executive Director. A summary of the material terms of the agreements between the Company and each and Campbell Smyth is set out in Section 8.8.

The remuneration of Executive Directors will be fixed from time to time by the Directors and may be paid by way of fixed salary or consultancy fees. A summary of the material terms of the agreement between the Company and Executive Chairman, Andrew Haythorpe and Executive Directors, Nicholas Revell and Gavin Ball is set out in Section 8.8.

The annual remuneration (exclusive of statutory superannuation) on completion of the Offer payable to each of the Directors is as follows:

Director	Annual Remuneration from completion of the Offer
Andrew Haythorpe	\$120,000
Nicholas Revell	\$120,000
Gavin Ball	\$120,000
Campbell Smyth	\$36,000

In the two years prior to the date of this Prospectus,

- Andrew Haythorpe has received \$Nil (excluding superannuation) in cash remuneration.
- Nicholas Revell has received \$9,700 (plus GST)¹ (excluding superannuation) in cash remuneration.
- Gavin Ball has received \$Nil (excluding superannuation) in cash remuneration.
- Campbell Smyth has received \$Nil (excluding superannuation) in cash remuneration.

¹ Geological contract services provided by related entity to Nicholas Revell to the Company.

Directors, Key Management and Corporate Governance

8.8 Key Terms of Agreements with Directors, Key Management or Related Parties

8.8.1 Andrew Haythorpe – Executive Services Agreement

The Company and a related entity to Andrew Haythorpe have entered into an executive services agreement for his role as Executive Chairperson. This agreement will commence upon successful listing on the Official List of the ASX.

The principle terms of the agreement are as follows:

- (a) A base salary of \$120,000 per annum (exclusive of GST).
- (b) The agreement may be terminated:
 - (i) by either party without cause with 6 months' written notice, or in the case of the Company, immediately with payment in lieu of notice;
 - (ii) by the Company with 6 month's notice, or immediately with payment in lieu of notice if the executive is unable to perform his duties under the agreement for three consecutive months or a period aggregating to three months in a 12 month period;
 - (iii) by either party with 6 months' written notice if the executive's role becomes redundant. If the Company terminates the employment of the executive within 12 months of a Change of Control it will be deemed to be a termination by reason of redundancy. If the Company terminates for reason of redundancy it shall be obliged to pay the executive for any notice period worked. In addition, it will be required to pay any redundancy amount payable under applicable laws, an amount equal to 6 months' base salary (less tax) and any accumulated entitlements;
 - (iv) by the Company, at any time with written notice and without payment (other than entitlements accrued to the date of termination) as a result of any occurrence which gives the Company a right of summary dismissal at common law; and
 - (v) by the executive immediately, by giving notice, if the Company is in breach of a material term of its agreement with him.

The agreement otherwise contains industry-standard provisions for a senior executive of a public company that is seeking a listing on the Official List of the ASX.

8.8.2 Nicholas Revell – Executive Services Agreement

The Company and a related entity to Nicholas Revell have entered into an executive services agreement for his role as Executive Director. This agreement will commence upon successful listing on the Official List of the ASX.

The principle terms of the agreement are as follows:

- (a) A base salary of \$120,000 per annum (exclusive of GST).
- (b) The agreement may be terminated:
 - (i) by either party without cause with 6 months' written notice, or in the case of the Company, immediately with payment in lieu of notice;
 - (ii) by the Company with 6 month's notice, or immediately with payment in lieu of notice if the executive is unable to perform his duties under the agreement for three consecutive months or a period aggregating to three months in a 12 month period;
 - (iii) by either party with 6 months' written notice if the executive's role becomes redundant. If the Company terminates the employment of the executive within 12 months of a Change of Control it will be deemed to be a termination by reason of redundancy. If the Company terminates for reason of redundancy it shall be obliged to pay the executive for any notice period worked. In addition, it will be required to pay any redundancy amount payable under applicable laws, an amount equal to 6 months' base salary (less tax) and any accumulated entitlements;

Directors, Key Management and Corporate Governance

- (iv) by the Company, at any time with written notice and without payment (other than entitlements accrued to the date of termination) as a result of any occurrence which gives the Company a right of summary dismissal at common law; and
- (v) by the executive immediately, by giving notice, if the Company is in breach of a material term of its agreement with him.

8.8.3 Gavin Ball – Executive Director

The Company and a related entity to Gavin Ball have entered into an executive services agreement for his role as Executive Director. This agreement will commence upon successful listing on the Official List of the ASX.

The principal terms of the agreement are as follows:

- (a) A base salary of \$120,000 per annum (exclusive of GST).
- (b) The agreement may be terminated:
 - (i) by either party without cause with 6 months' written notice, or in the case of the Company, immediately with payment in lieu of notice;
 - (ii) by the Company with 6 month's notice, or immediately with payment in lieu of notice if the executive is unable to perform his duties under the agreement for three consecutive months or a period aggregating to three months in a 12 month period;
 - (iii) by either party with 6 months' written notice if the executive's role becomes redundant.
 - (iv) If the Company terminates the employment of the executive within 12 months of a Change of Control it will be deemed to be a termination by reason of redundancy. If the Company terminates for reason of redundancy it shall be obliged to pay the executive for any notice period worked. In addition, it will be required to pay any redundancy amount payable under applicable laws, an amount equal to 6 months' base salary (less tax) and any accumulated entitlements;
 - (v) by the Company, at any time with written notice and without payment (other than entitlements accrued to the date of termination) as a result of any occurrence which gives the Company a right of summary dismissal at common law; and
 - (vi) by the executive immediately, by giving notice, if the Company is in breach of a material term of its agreement with him.

8.8.4 Campbell Smyth – Non-Executive Director

The Company has entered into an agreement with Campbell Smyth in respect of his appointment as a Non-Executive Director of the Company.

Campbell Smyth will be paid a fee of \$36,000 per annum (exclusive of statutory superannuation) for his services as Non-Executive Director and is also entitled to be reimbursed for all reasonable expenses incurred in performing his duties. The appointment of Campbell Smyth as a Non-Executive Director is otherwise on terms that are customary for an appointment of this nature.

8.8.5 Mark Lester - Chief Financial Officer

The Company and Mark Lester have entered into an agreement for the role as Chief Financial Officer of the Company. The principle terms of the agreement are as follows:

Mark Lester will be paid a fee of \$84,000 per annum (exclusive of statutory superannuation) for his services as Chief Financial Officer and is also entitled to be reimbursed for all reasonable expenses incurred in performing his duties.

The agreement otherwise contains industry-standard provisions for a senior manager of a public company that is seeking a listing on the Official List of the ASX.

Directors, Key Management and Corporate Governance

8.8.6 Benjamin Donovan – Company Secretary

The Company has engaged a related entity to Benjamin Donovan to provide company secretary services to the Company. The related entity to Benjamin Donovan will receive a monthly fee of \$4,500 (plus GST) for this role. The Company will also be responsible for all out of pocket expenses to provide company secretarial services or any additional tasks for the Company.

These services will continue after the successful admission of the Company to the Official List of the ASX unless terminated by either party by giving 3 months' notice in writing or by Mr Benjamin Donovan in the following circumstances:

- (a) immediately by written notice should the Company or the Directors adversely impact Benjamin Donovan in performing his duties and obligations under the Corporations Act and/or expose Benjamin Donovan to possible personal prosecution; and
- (b) immediately by written notice in the event that any remuneration payable by the Company to Benjamin Donovan has not been paid within 30 days of the due date for payment.

8.8.7 Deeds of Indemnity, Insurance and Access

The Company is party to deeds of indemnity, insurance and access with each of the Directors and Key Management. Under these deeds, the Company indemnifies each Director and Key Manager to the extent permitted by the Corporations Act against any liability arising as a result of the Director and Key Manager acting on behalf of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant Director and Key Manager and must also allow the Directors and Key Managers to inspect board papers in certain circumstances.



Image of sand located on tenement E63/2137.

Directors, Key Management and Corporate Governance

8.9 Corporate Governance

This summary identifies the key corporate governance policies and practices adopted by the Company's Board. The Board is committed to ensuring continued investor confidence in the operations of the Company and in maintaining high standards of corporate governance in the performance of their duties.

The full suite of the Company's corporate governance policies and practices is available at the Company's website at www.allupsilica.com.

The Role of the Board

The role of the board of Directors is to provide strategic guidance to the Company (and its related bodies corporate), effective oversight of management and to provide a sound base for a culture of good corporate governance within the Company.

The Board will always retain ultimate authority over the management and staff of the Company and its related bodies corporate.

In performing its role, the Board should act, at all times:

- (a) in recognition of its overriding responsibility to act honestly, fairly and in accordance with the law in serving the interests of the Company, its Shareholders, as well as its employees, customers and the community;
- (b) in a manner designed to create and continue to build sustainable value for Shareholders;
- (c) in accordance with the duties and obligations imposed upon them by the Company's constitution and applicable law; and
- (d) with integrity and objectivity, consistently with the ethical, professional and other standards set out in the Company's corporate governance policies.

Responsibilities of the Board

The responsibilities of the Board include, to:

- (a) represent and serve the interests of Shareholders by overseeing and appraising the Company's strategies, policies and performance;
- (b) protect and optimise the Company's performance and build sustainable value for Shareholders;
- (c) set, review and ensure compliance with the Company's values and governance framework; and
- (d) ensure that Shareholders are kept informed of the Company's performance and major developments.

Composition of the Board

Under the Company's constitution, the minimum number of Directors is three and the maximum number is 10. The Board at the date of this Prospectus comprises of four Directors, namely Andrew Haythorpe, Nicholas Revell, Gavin Ball and Campbell Smyth. Campbell Smyth is considered independent.

The Directors consider the size and composition of the Board is appropriate given the current size, status and operations of the Company following the Offer.

Each Director is bound by all of the Company's charters, policies and codes of conduct. If the Board determines it is appropriate or necessary, they may establish additional committees (in addition to the committees of the Board which have already been established as outlined below) to assist in carrying out various responsibilities of the Board. Such additional committees will be established by a formal charter.

The responsibility for the day to day operation and administration of the Company is delegated by the Board to the executive of the Company determined by the Board.

The Board seeks to nominate persons for appointment to the Board who have the qualifications, experience and skills to augment the capabilities of the Board.

Directors, Key Management and Corporate Governance

Independent Professional Advice

The Directors are entitled to seek independent professional advice at the Company's expense on any matter connected with the discharge of their responsibilities. Such advice may be sought in accordance with the procedures set out in the Board charter.

Share Trading Policy

The Company has adopted a formal policy for dealing in the Company's Shares by Directors and employees and their related entities (in accordance with Listing Rule 12.9). The share trading policy provides that Key Management Personnel should:

- (a) not deal in the Company's shares while in possession of price sensitive, non-public information; and
- (b) only trade in the Company's shares after receiving clearance to do so from a designated clearance officer, where clearance may not be provided in defined "blackout periods".

The share trading policy is available on the Company's website at www.allupsilica.com.

Remuneration Policy

The Company has adopted a remuneration policy designed to align individual and team reward and encourage executives to perform to their full capacity.

Remuneration packages may contain any or all of the following:

- (a) annual salary with provision to recognise the value of the individuals' personal performance and their ability and experience;
- (b) rewards, bonuses, commissions, special payments and other measures available to reward individuals if deemed appropriate;
- (c) long term incentives – executive Directors may participate in share option schemes with the prior approval of Shareholders;
- (d) other benefits, such as holiday leave, sickness benefits, superannuation payments and long service benefits;
- (e) The Board will determine the appropriate level and structure of remuneration of the executive team and such consideration will occur each year; and
- (f) Remuneration of executives will be reviewed annually by the Board. Determination of Non-Executive Director's fees is with regard to the long term performance of the Company.

Diversity Policy

The Company has adopted a diversity policy which sets out the Company's objectives for achieving diversity amongst its board, management and employees.

Whistleblower Policy

The Board has adopted a Whistleblower Policy to ensure concerns regarding unacceptable conduct, including breaches of the Company's policies and standards and all relevant legislation, can be raised on a confidential basis, without fear of reprisal, dismissal or discriminatory treatment. The Whistleblower Policy sets out who the policy applies to, the types of conduct or suspected conduct the policy covers, how to make disclosures of unacceptable conduct and the protections available to whistleblowers (including protecting the confidentiality of the whistleblower, protecting the whistleblower against detriment and protecting the whistleblower from civil, criminal and administrative liability). The Whistleblower Policy also sets out how disclosures of unacceptable conduct will be investigated by the Company, demonstrating the Company's commitment to dealing with disclosures thoroughly, confidentially and in a timely manner.

Anti-Bribery and Anti-Corruption Policy

The Company has adopted an Anti-Bribery and Anti-Corruption Policy which sets out the Company's requirements in relation to interactions with third parties in both the public and private sector, forbidding corrupt interactions with such individuals.

Directors, Key Management and Corporate Governance

Continuous Disclosure Policy

The Company, as a listed public company, is required to disclose price sensitive information to the market as it becomes known to comply with the continuous disclosure requirements of the Corporations Act and the Listing Rules.

The Company has adopted a Continuous Disclosure Policy. The Continuous Disclosure Policy of the Company ensures that all Shareholders and investors have equal access to the Company's information, to the extent practicable. Price sensitive information will be disclosed by way of an announcement to ASX and placed on the Company's website.

Shareholder Communication

The Board strives to ensure that Shareholders are provided with full and timely information to assess the performance of the Company and its Directors and to make well-informed investment decisions.

Information is communicated to Shareholders:

- (a) through the release of information to the market via ASX;
- (b) through the distribution of the annual report and notice of annual general meeting;
- (c) through letters and other forms of communications directly to Shareholders; and
- (d) by posting relevant information on the Company's website.

Ethical Standards and Business Conduct

The Board recognises the need for Directors and employees to observe appropriate standards of behaviour and business ethics when engaging in corporate activity. Through its code of conduct, the Board intends to maintain a reputation for integrity. The Company's business ethics are founded on openness, honesty, fairness, integrity, mutual respect, ethical conduct and compliance with laws.

The standards set out in the Code of Conduct are required to be adhered to by officers and employees of the Company. The Code of Conduct and further details of these standards can be found on the Company's website.

Risk Management and Internal Compliance and Control

The identification and proper management of the Company's risks are an important priority of the Board, and the Company is committed to designing and implementing systems and methods appropriate to minimise and control its risks. The Board has adopted a Risk Management Policy which sets out the accountabilities and responsibilities of the Board, the Executive Directors, senior management, the Company Secretary and all other employees of the Company in relation to risk management. The Board has overall responsibility for the identification, understanding and monitoring of key strategic risks affecting the Company and overseeing the Company's risk management framework.

ASX Corporate Governance Principles and Recommendations

Where possible and having regard to the size and nature of the Company's operations, the Board has adopted the Corporate Governance Principles and Recommendations (4th Edition) issued by ASX Corporate Governance Council. As a listed entity the Company has been required to report any departures from the principles and recommendations in its annual report. The Company's proposed departures from the principles and recommendations, as at the date of re-admission to the Official List, are set out in the table below.

Recommendation		Explanation of Departure
1.5	Measurable objectives for achieving gender diversity should be established and disclosed.	<p>The Company has not formally established measurable objectives for achieving gender diversity given the current stage of its operations and number of employees.</p> <p>The Company has however adopted a Diversity Policy which outlines the Company's objectives in the provision of equal opportunities in respect of employment and employment conditions. The Diversity Policy is available on the Company's website. The Company will review the requirement to set and report on measurable objectives for achieving gender diversity as the Company's operations and employee numbers grow.</p>

Directors, Key Management and Corporate Governance

Recommendation	Explanation of Departure
2.1	<p>The Board should have a Nomination Committee.</p> <p>The Company has not constituted a Nomination Committee given the size of the Board and the nature and scale of the Company's operations. The full Board carries out the role of a Nomination Committee in accordance with the Nomination Committee Charter.</p>
2.4 Also 4.1, 7.1, and 8.1	<p>The majority of the Board (and any Board Committees)</p> <p>The Board is currently comprised of four Directors including two independent Non-Executive Directors. The Board considers that its current composition is appropriate given the current size and stage of development of the Company and allows for the best utilisation of the experience and expertise of its members.</p> <p>Directors having a conflict of interest in relation to a particular item of business must absent themselves from the Board meeting before commencement of discussion on the topic.</p>
4.1	<p>The Board should have an Audit Committee.</p> <p>The Board does not have a separately constituted Audit Committee given the size of the Board and the nature and scale of the Company's operations. The Board as a whole fulfils the functions normally delegated to the Audit Committee as detailed in the Audit Committee Charter.</p>
7.1	<p>The Board should have a committee to oversee risk.</p> <p>The Board has not constituted a Risk Committee given the size of the Board and the nature and scale of its activities. The Board as a whole is responsible for the oversight of the Company's risk management and internal compliance and control framework. Following admission to quotation, responsibility for control of risk management will be delegated to the appropriate level of management within the Company, with the Executive Chairman having ultimate responsibility to the Board for the risk management and internal compliance and control framework.</p>
8.1	<p>The Board should have a Remuneration Committee.</p> <p>The Board does not have a separately constituted Remuneration Committee given the size of the Board and the nature and scale of the Company's operations. The Board as a whole fulfils the functions normally delegated to the Remuneration Committee as detailed in the Remuneration Committee Charter.</p>

09

INDEPENDENT GEOLOGIST'S REPORT

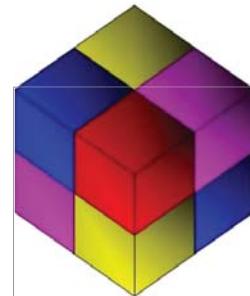


Image of air-core drilling on tenement E70/5447.

Independent Geologist's Report

Allup Silica Limited Allup Silica Projects

Report Prepared by
Auranmore Consulting
October 2021



**AURANMORE
CONSULTING**

ACN 623 296 006



The Directors
 Allup Silica Limited
 18 Kings Park Road
 West Perth WA 6005

INDEPENDENT GEOLOGIST'S REPORT

Auranmore Consulting (ACN 623 296 006) ("Auranmore") has been requested by Allup Silica Limited ("APS" or the "Company") to prepare an Independent Geologist's Report ("IGR" or the "Report") on the tenements set out in Table 4 (Tenements) in Western Australia.

The Tenements being acquired are located in the South-West, Esperance and Kimberley regions of Western Australia. The primary commodity of interest is silica sand.

This Report is to be included in a Prospectus to be lodged by APS with the Australian Securities and Investment Commission ("ASIC") on or about the 1st December 2021, offering for subscription 25,000,000 fully paid ordinary shares in the capital of APS ("Shares") at an issue price of \$0.20 per Share to raise \$5,000,000. The funds raised will be used primarily for the purpose of exploration and evaluation of the Tenements.

This IGR has been prepared in accordance with the rules and guidelines issued by such bodies as ASIC and the Australian Securities Exchange (ASX). Where exploration results, mineral resources or ore reserves have been referred to in this IGR, the classifications are consistent with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code), prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia, effective December 2012.¹ This IGR has also been prepared in accordance with the VALMIN code², which is binding on members of the Australasian Institute of Mining and Metallurgy

The information in this Report that relates to Mineral Resources, Exploration Results and Exploration Targets for the Tenements is based on, and fairly represents, information and supporting documentation compiled by Richard Maddocks; MSc in Mineral Economics, BAppSc in Geology and Grad Dip in Applied Finance and Investment. Mr Maddocks is an employee of Auranmore Consulting and is a Fellow of the Australasian Institute of Mining and Metallurgy with over 30 years of experience. Mr Maddocks has sufficient experience relevant to the Technical Assessment and/or Valuation of the Mineral Assets under consideration and to the activity which he is undertaking 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'. Mr Maddocks has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code. Mr Maddocks consents to the inclusion in this Report of the matters based on his information in the form and content in which it appears.

The legal status of the Tenements is subject to a separate Mining Tenement Report which is set out in Section 10 of the Prospectus and these matters have not been independently verified by Auranmore. The present status of

¹ Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves. 2012 Edition. Prepared by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC). <https://jorc.org>

² Australasian Code For Public Reporting of Technical Assessments and Valuations of Mineral Assets. The Valmin Code, 2015 Edition. Prepared by The VALMIN Committee, a joint committee of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. <https://valmin.org>

Tenements listed this Report is based on information provided by APS and the Report has been prepared on the assumption that the tenements will prove lawfully accessible for evaluation and development.

In addition, Auranmore has not been requested to provide an Independent Valuation, nor has it been asked to comment on the Fairness or Reasonableness of any vendor or promoter considerations, and therefore it has not offered any opinion on these matters.

In the course of the preparation of this Report, access has been provided to all relevant data held by APS and various other technical reports and information quoted in Section 5 of this Report (References). The information used to prepare this Report is drawn from:

- discussions with consultants, directors and management of APS;
- publicly available reports prepared by previous tenement holders and their consultants; and
- scientific and technical research reports and papers publicly available.

All publicly available reports are available from government departments or a prescribed financial market in accordance with ASIC Regulatory Guide 55. None of those reports were prepared in connection with an offer of shares by APS.

Auranmore does not doubt the authenticity or substance of previous investigating reports. Auranmore has not however, carried out a complete audit of the information but has relied on previous reporting and documentation where applicable and has used this for research purposes with qualifications applied, where necessary.

The authors and competent persons of the reports referred to in Section 5 of this Report (References) have not consented to the references made to their reports in this Report.

This Report has been prepared by Auranmore strictly in the role of an independent expert. Professional fees payable for the preparation of this Report constitutes Auranmore's only commercial interest in APS. Payment of fees is in no way contingent upon the conclusions of this Report.

The Tenements are considered to be sufficiently prospective, subject to varying degrees of risk, to warrant further exploration and development of their economic potential, consistent with the programs proposed by APS.

Mr Maddocks is of the opinion that APS has satisfactorily and clearly defined exploration and expenditure programs which are reasonable having regard to the nature of the mineralisation and the stated objectives of the Company. APS's exploration programs are included in the Report. It is noted that they may be altered in view of results gained which could revise the emphasis of current priorities.

This report has an effective date of 21 October 2021.

Yours faithfully

Richard Maddocks

Director, Auranmore Consulting

EXECUTIVE SUMMARY

This Independent Geologists Report ("IGR", or the "Report") has been prepared by Auranmore Consulting ("Auranmore") at the request of Allup Silica Limited (APS). APS owns, or has the right to acquire, controlling interests in Tenements in Western Australia. These Tenements are prospective for silica sand mineralisation.

APS has projects in the south-west of Western Australia, the southern Goldfields near Esperance and the Kimberley area of Western Australia. APS has conducted preliminary exploration that has confirmed the presence of silica sand of a quality that warrants further exploration. Drilling in the Antwalker and Unicup Projects conducted by previous explorers targeting the underlying bedrock has intersected significant thicknesses of silica sand. This drilling combined with the recent APS exploration has provided sufficient data to enable the estimation of a **Mineral Resource Estimate (MRE)** at the Unicup project and an Exploration Target at the Antwalker Project. The MRE is presented in Table 1 and the Exploration Target in Table 2. Details of the MRE are contained in Section 2.3 of this report and the Antwalker Exploration Target in Section 2.4.

Mineral Resource Estimate (MRE)

Table 1: Unicup Project Inferred Mineral Resource Estimate

Tonnes	Silica (SiO ₂) %	Alumina (Al ₂ O ₃) %	Iron Oxide (Fe ₂ O ₃) %	Titanium Dioxide (TiO ₂) %	LOI %
73,000,000	96.6	1.1	0.41	0.47	0.68

Exploration Target

Table 2: Antwalker Exploration Target

Antwalker		Before Beneficiation Processing
Tonnage Range	Minimum	Maximum
Exploration Target	20,000,000	40,000,000
Grade		
Silica (SiO ₂) %	97%	99%
Inclusions	Lowest	Highest
Iron Oxide (Fe ₂ O ₃) % (ppm)	0.04% (400 ppm)	0.08% (400 ppm)
Titanium dioxide (TiO ₂) % (ppm)	0.35% (3500 ppm)	0.55% (3500 ppm)
Alumina (Al ₂ O ₃) % (ppm)	0.03% (300 ppm)	0.01% (300 ppm)
LOI % (moisture and volatiles)	0.7%	1.0%

The potential quantity and grade of an exploration target is conceptual in nature. There has been insufficient exploration to determine a mineral resource and there is no certainty that further exploration work will result in the determination of mineral resources or that the production target itself will be realised.

The Inferred Mineral Resource Estimate and the Exploration Target will form the basis for additional exploration and development programs on the Antwalker and Unicup Projects. Additional drilling will be focussed on delineating silica sand horizons and on extending the known occurrences. Expenditure has also been budgeted for lead items in anticipation of the estimation of additional Mineral Resources and Ore Reserves. Should additional exploration prove successful, this will aid in the expediting of mining proposals and statutory approvals. This includes flora and fauna baseline studies, heritage and geotechnical studies and hydrogeological studies.

The Allup Silica Sand Projects are at a relatively early stage of exploration. Previous work has included grab and auger sampling and shallow open hole percussion drilling. These exploration programs have established the presence of silica sand mineralisation within the recent sediments overlying the project areas. Proposed exploration will focus on delineating the distribution and tenor of silica sand mineralisation. This will entail a significant program of drilling at the Unicup, Antwalker, Pipeclay Tree and Esperance Projects. The Argyle Project is at an earlier state of exploration with exploration required to delineate the extent and depth of silica sand deposits.

Based on prevailing market sentiment and commodity prices, exploration and/or development for silica sand is warranted and the Tenements are considered sufficiently prospective to justify the exploration expenditure and work programs outlined in the Prospectus. A summary of the proposed exploration programs is presented below in Table 3.

Table 3: Summary of Proposed Exploration Programs and Expenditure

Project	Year 1	Year 2	Total
Unicup	\$ 943,000	\$ 1,113,000	\$ 2,056,000
Antwalker/Pipeclay	\$ 369,000	\$ 349,000	\$ 718,000
Argyle Silica	\$ 585,000	\$ 555,000	\$ 1,140,000
Esperance Silica	\$ 307,000	\$ 282,000	\$ 589,000
TOTAL	\$ 2,204,000	\$ 2,299,000	\$ 4,503,000

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1.0 INTRODUCTION

1.1 Tenure

The tenements in which APS will have an interest in are summarised in Table 4. Auranmore has obtained these tenement details from the Mineral Titles Online database managed by the Western Australian Department of Mines, Industry Regulation and Safety. Auranmore has not verified the details of the tenement tenure or ownership.

Table 4: Tenement Details

Tenement	Status	Project	Area km ²	Holder	Expenditure Commitment	Grant Date	End Date
E 70/5447	Granted	Unicup	22.65	Allup Silica Limited	\$20,000	14-Dec-20	13-Dec-25
E 70/5527	Granted	Unicup	45.3	Allup Silica Limited	\$20,000	25-Feb-21	24-Feb-26
E 70/5920	Granted	Unicup	51.03	Allup Silica Limited	\$20,000	17-Nov-21	16-Nov-26
E 70/5455	Application	Antwalker	11.32	Allup Silica Limited	-	-	-
E 70/5682	Granted	Pipeclay Tree	17	Allup Silica Limited	\$20,000	11-May-21	10-May-26
E 70/5745	Granted	Pipeclay Tree	17	Allup Silica Limited	\$20,000	24-May-21	23-May-26
E80/5629	Application	Argyle Silica	161.67	Allup Silica Limited	-	-	-
E80/5652	Application	Argyle Silica	66.1	Allup Silica Limited	-	-	-
E80/5524	Granted	Argyle Silica	16.49	* Pathfinder Exploration Ltd 50% / Norvale Pty Ltd 50%	\$15,000	26-Aug-21	25-Aug-26
E63/2137	Granted	Esperance	48.51	Allup Silica Limited	\$20,000	4-Nov-21	3-Nov-26
E63/2138	Application	Esperance	48.92	Allup Silica Limited	-	-	-
E63/2139	Granted	Esperance	51.79	Allup Silica Limited	\$20,000	26-Oct-21	25-Oct-26

* Transfers into the name of APS were lodged on the 23/11/2021 with the Department of Mines, Industry Regulation and Safety and are awaiting processing.

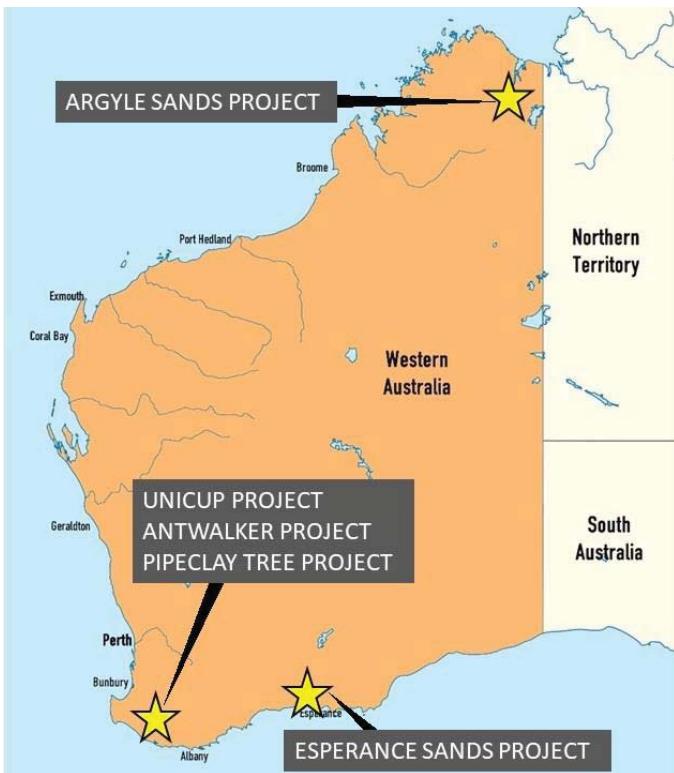


Figure 1: Tenement Locations

1.2 Location and Access

The Allup Silica Sand south-west projects are located in the Lake Muir region of south-west Western Australia, 150km north-west of the town of Albany. Tenement E 70/5455 (the Antwalker Project) is located north west of Quininnup, E 70/5682 and E 70/5745 (the Pipelay Tree Project) are located south of Manjimup, and E 70/5447 and E 70/5527 (the Unicup Project) are north of the Lake Muir nature reserve. The Antwalker Project is accessed via the South-Western Highway about 26km from Manjimup. The Pipeclay Tree Project is accessed via South-Western Highway about 13km from Manjimup. The Unicup project is accessed via the Muirs Highway about 50km from Manjimup.

The Esperance tenements are accessed from the town of Esperance. E63/2137 is about 20km west of Esperance and can be accessed from the south by tracks off the Eleven Mile Beach Road and from the north by tracks off Telegraph Road. E63/2138 and E63/2139 are located 90km north-north-west from Esperance and are accessed from the town of Salmon Gums via Machen Road, a distance of about 20km.

The Argyle Sands Project is accessed from Wyndham via the Great Northern Highway or Kunanarra via the Victoria Highway. The Great Northern Highway passes through the project area about 80km south of Wyndham.

1.3 Climate and Topography

The Projects in the south-west of Western Australia experience a climate that is Mediterranean with cool, wet winters and warm to hot, dry summers. Soil, and hence vegetation types, are strongly controlled by the geology and climate with podzolic soils developing on acidic gneiss and red earths on basic gneiss. Vegetation comprises medium forest and woodlands of jarrah (*Eucalyptus marginata*), marri (*Corymbia calophylla*), yate (*E. occidentalis*), *E. decipiens* and wandoo (*E. wandoo*) in various combinations; low woodlands and closed forests of paperbarks (*Melaleuca spp.*), scrublands, teatree thickets (*Melaleuca spp.* and *Kunzea spp.*), sedgelands, reed swamps and fresh water and salt lakes (Smith, 2003).

The Argyle Project in the Kimberley experiences a tropical climate with a wet season from late November to March and a dry season from April to early November. The average annual rainfall at Wyndham is 845mm with the bulk of this falling from December to March. The topography of the project area where the silica sand is found is generally flat with open savannah type vegetation.

1.4 Data Sources

This review was conducted on data and documentation supplied by APS and is current as of 16 October 2021. Some reports were obtained from the Department of Mines, Industry Regulation and Safety. Geology and land use maps were also obtained from the Department of Mines, Industry Regulation and Safety 'GeoView' mapping tool. The data is assumed to be valid. A site visit was not deemed necessary by the competent person due to the early stage of the projects. It was also decided that site visits would not contribute additional meaningful information or data to the understanding of the geology of the projects.

2.0 SOUTH-WEST PROJECTS

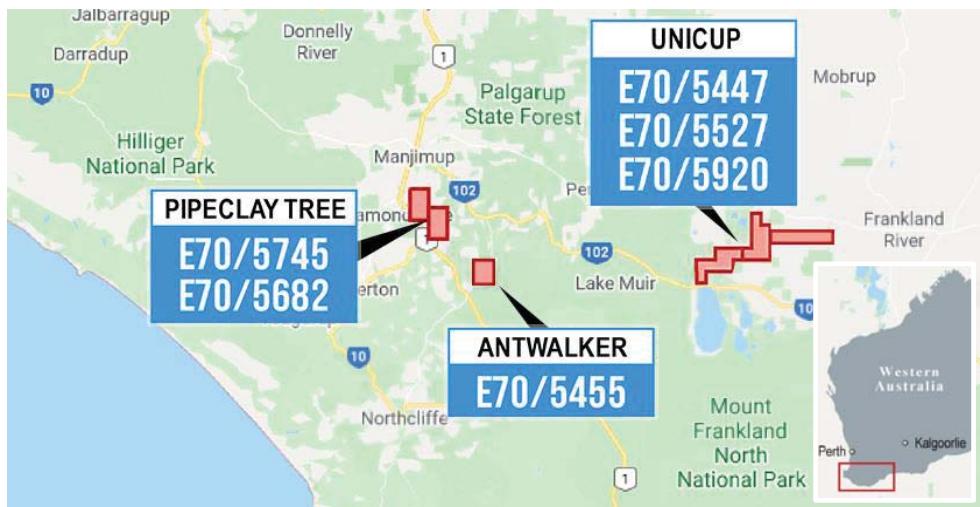


Figure 2: Location of South-west Projects

2.1 Regional Geology

The areas of interest are located on elevated sand plain and residual laterite terrain of the Biranup Zone in the Proterozoic Albany-Fraser Orogen of south-west Western Australia. It is underlain by quartz-feldspathic gneisses, mainly derived from granitoid rocks of the Biranup and Nornalup Complexes.

The high grade, pure quartz silica sands are part of the mid to late Eocene Werillup Formation which consists of alluvial river sands and gravel, laid on low grade coal and lignite laid down in coastal swamps. The host stratigraphy at Unicup and Antwalker are up to 64m in thickness and outcrop at surface.

The Eocene coastal plain and continental margin sedimentary rocks (like the Eucla Basin stratigraphy) lie directly on a truncated profile of saprolitic Albany-Fraser rocks of Proterozoic age which in the Unicup area consist of the Biranup Complex: meta-sedimentary quart-feldspar schist, garnet-amphibole schist, graphitic schist; and gneissic rocks (mainly felsic orthogneiss) cut by late mafic dykes, and late stage pegmatites. Granitic to granodioritic late stage intrusives occur especially in the southern parts of the Biranup Complex. Large layered gabbroic massifs occur at Bridgetown.

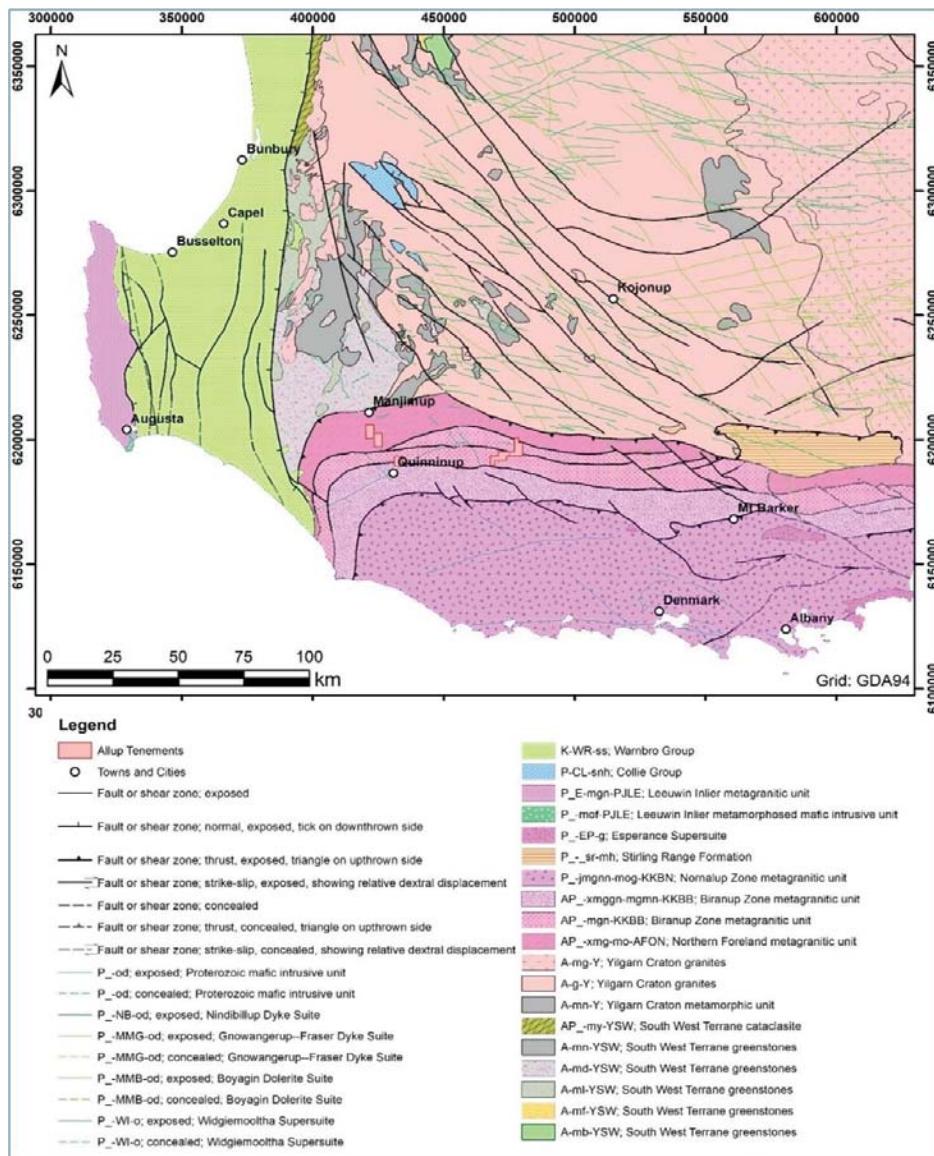


Figure 3: Regional Geology of Project Area.

2.2 Unicup Project

The Unicup Project encompasses three granted exploration licences E 70/5447, E 70/5527 and E 70/5920. These tenements are located between the Muir Highway to the south and the Wingebellup Road to the north. Figure 4 shows the location of the three tenements in relation to local nature reserves and State forests. The project is relatively unencumbered by these areas, however the underlying land is generally freehold land and permission will be required to undertake some exploration activities.

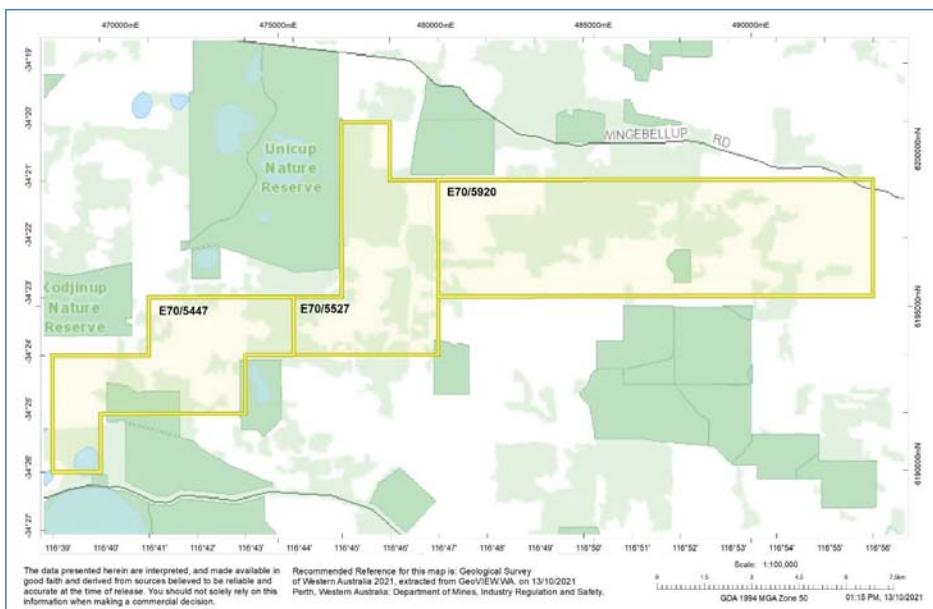


Figure 4: Unicup Project with Conservation Areas

2.2.1 Project Geology

E 70/5447, E 70/5527 and E70/5920 are located on poorly drained flats with lakes and low dune and undulating low hills and rises. The sediments of the area are part of the Werillup formation consisting of either carbonaceous clays and silts interbedded with fine to coarse grained quartz sands or thick beds of carbonaceous clay through to carbonaceous sandy silts. The distribution of the sediments is poorly understood due to extensive cover by ferricrete, alluvium and colluvium (Smith, 2003).

There is a sharp bedding contact between quartz sands and underlying clays or clayey silts. Quartz sands are poorly to moderately sorted, fine to coarse grained, with grains being angular to subangular.

An overview of the local geology at Unicup is shown in Figure 5. Deeper palaeochannels potentially containing significant sand deposits are also shown.

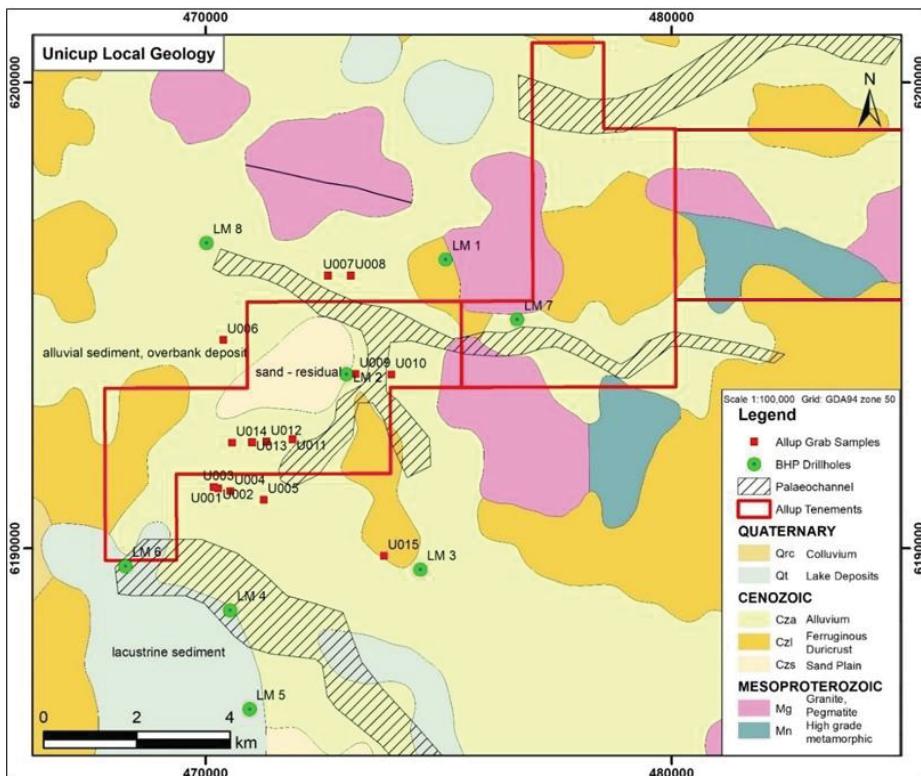


Figure 5: Unicup local geology showing BHP drillholes and APS grab sample locations

2.2.2 Exploration History

BHP conducted exploration for coal in the Lake Muir area starting with two shallow scout holes in 1981. They intersected 4.25m of lignite in one hole and applied for three blocks of coal mining leases between April and July 1981.

A drill program of six shallow holes (LM1-6) was drilled to test for coal potential in the area. These are summarised in Table 5 with the thickness of sand intersected also shown. The location of these holes is shown in Figure 5.

Table 5: BHP Air-core drilling at Unicup

Hole_ID	Hole_Type	Easting	Northing	EOH Depth	Dip	Azi	Sand Interval	Basement Depth	Basement Lithology
LM 1	Aircore	475150	6196199	62.8	-90	0	0-16m	62	Granite
LM 2	Aircore	473017	6193733	49.3	-90	0	0-36m	49.5	Basalt
LM 3	Aircore	474606	6189544	24.5	-90	0	-	24.4	Granite
LM 4	Aircore	470526	6188670	39	-90	0	0-16m	37	Granite
LM 5	Aircore	470941	6186546	37	-90	0	0-4m	36.7	Granite
LM 6	Aircore	468277	6189617	48	-90	0	0-11	48	Schist
LM 7	Aircore	476686	6194909	74	-90	0	-	74	Granite
LM 8	Aircore	470016	6196554	54	-90	0	0-18m	54	Granite

APS have collected 15 grab samples at Unicup and had them assayed for silica and other relevant content by Intertek Genalysis. The results, shown below in Table 6, demonstrate the quality of the quartz silica sand.

Table 6: Grab Samples collected at Unicup

Sample ID	Easting	Northing	SiO2 %	TiO2 ppm	Al2O3 ppm	Fe2O3 ppm	LOI %
U001	470173	6191319	99	2351	567	570	0.53
U002	470273	6191294	98.8	2174	521	663	0.80
U003	470173	6191319	99.2	1629	262	496	0.56
U004	470531	6191230	99	1864	295	465	0.67
U006	470375	6194470	97.4	1890	663	592	0.72
U005	471248	6191041	99	1411	319	297	2.15
U007	472625	6195860	99.4	3097	271	470	0.22
U008	473112	6195860	99.2	3786	313	984	0.30
U009	473216	6193741	98.2	5113	2187	1376	0.86
U010	473987	6193728	98.5	3320	3658	1799	0.52
U011	471862	6192340	99	2738	1353	2293	ns
U012	471308	6192287	99.3	2939	332	980	ns
U013	470994	6192278	99.4	2047	232	1650	ns
U014	470566	6192272	99.4	1930	185	516	ns
U015	473826	6189834	97.9	4714	8738	1136	ns



Figure 6: Sample location for U010

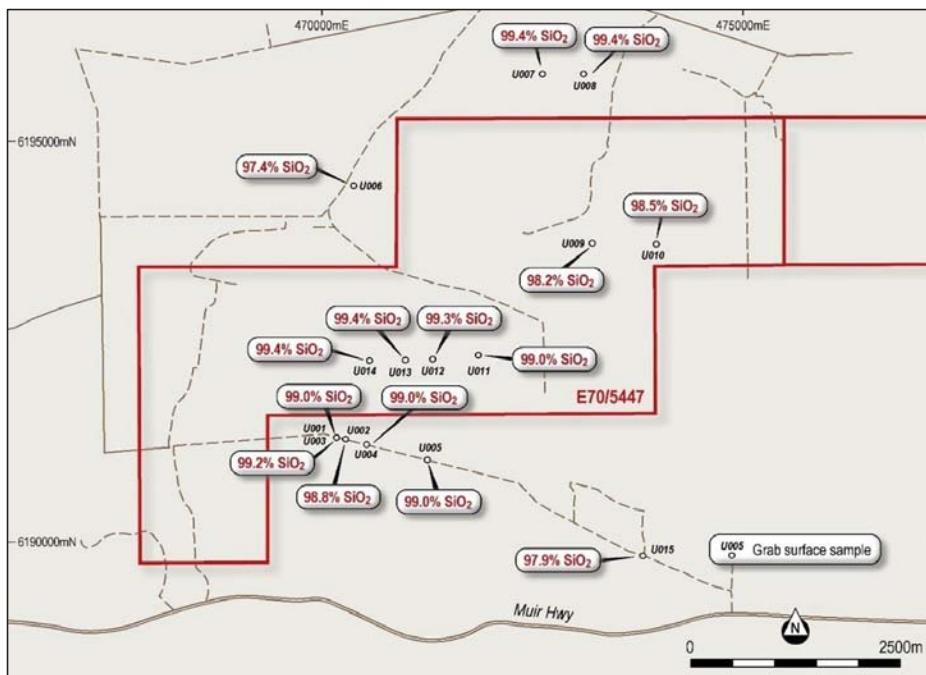


Figure 7: Silica results from Unicup grab samples within E70/5447

It should be noted that grab samples U001 to U005 and U006 to U008 were taken outside of the project area and are located on tenure not controlled by APS. These samples do however illustrate the extent of the sand covering the project areas.

Along with the silica sand samples, four samples were collected and assayed for gold to assess the potential for gold bearing palaeochannel type mineralisation. These results are presented in Table 7. Only low levels of gold were encountered, reducing the potential for any economic gold mineralisation within the sand horizon.

Table 7: BLEG Sample Results

Sample ID	Easting	Northing	Date taken	Au ppb
B001A	472532	6194158	3/06/2020	2.06
B001B	472532	6194158	3/06/2020	0.98
B002A	472280	6193860	3/06/2020	0.13
B002B	472280	6193860	3/06/2020	0.1

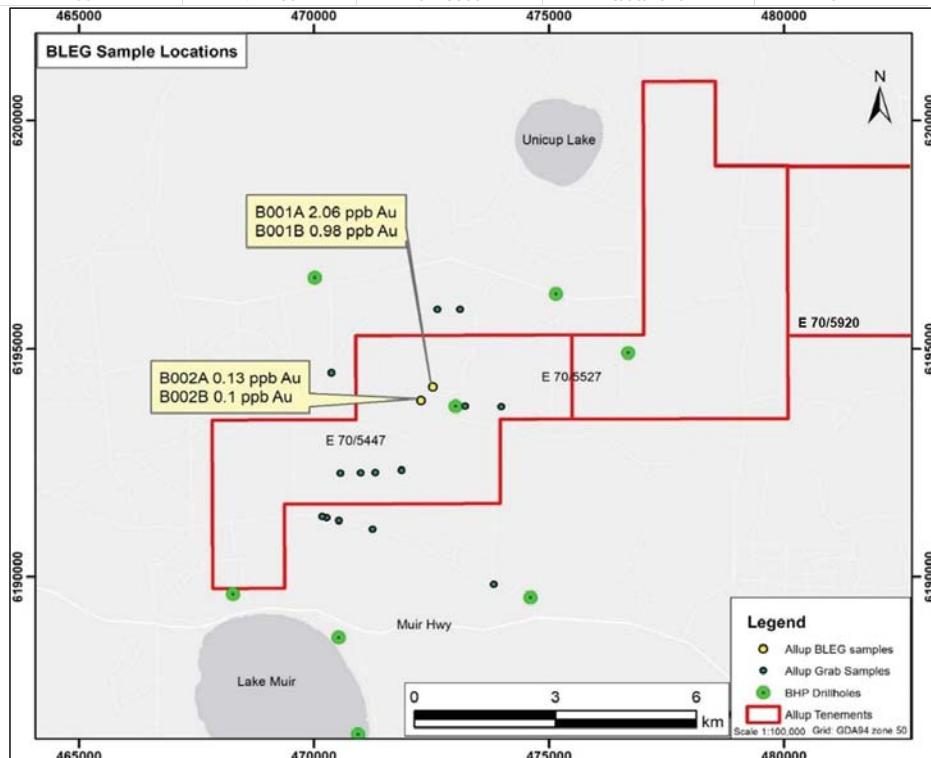


Figure 8: Location map showing BHP drilling and BLEG samples taken at Unicup

2.2.3 Proposed Exploration Programs

APS proposes to conduct a significant exploration and development program at the Unicup Project. Work will include drilling to fully delineate the depth and extent of the target sand horizon. Assaying of the drilling will determine the silica grade and the grade of other relevant elements and potential contaminants. The aim of this initial drilling program will be to enable the estimation of Mineral Resources. With a Mineral Resource Estimate it may be possible to progress to mining studies. Following on from this, additional exploration will include associated work to progress the project to an Ore Reserve should the drilling results and mining studies prove successful. This work will include hydrogeological and geotechnical studies for final pit designs. Metallurgical and beneficiation analysis is required to identify the processed silica sand specifications after it has been processed. Additional Metallurgical test-work will be required to finalise these optimal processing routes. These proposed programs are summarised in Table 8.

Each step in the proposed program will be conducted contingent upon the success of the preceding activity. Auranmore agrees with the proposed exploration program and the justification for it. Previous exploration has indicated the presence of silica sands with high levels of silica. Additional work is justified to fully test the potential economic viability of mining activities.

Table 8: Proposed 2-year Exploration for the Unicup Project

Unicup Silica Exploration Project	Year 1	Year 2	Total
Historical review	\$ 10,000	\$ -	\$ 10,000
Field works and sampling	\$ 30,000	\$ 20,000	\$ 50,000
Drilling	\$ 240,000	\$ 300,000	\$ 540,000
Assaying	\$ 80,000	\$ 85,000	\$ 165,000
Metallurgical and beneficiation works	\$ 80,000	\$ 85,000	\$ 165,000
DTM/EM/Gravity/Aerial survey	\$ 50,000	\$ -	\$ 50,000
Geophysical studies	\$ 30,000	\$ -	\$ 30,000
Specialists/Consultants/Management/Others	\$ 350,000	\$ 550,000	\$ 900,000
Landowner compensation costs	\$ 60,000	\$ 60,000	\$ 120,000
Tenement compliance costs	\$ 13,000	\$ 13,000	\$ 26,000
TOTAL	\$ 943,000	\$ 1,113,000	\$ 2,056,000

2.3 Antwalker and Pipeclay Tree Projects

The Antwalker Project is located 26km from Manjimup, with the Pipeclay Tree Project being 13km from Manjimup. Figure 9 shows the tenements in relation to conservation areas. Whilst the majority of the tenure is outside of these areas there is some State Forest encroaching upon it. This will require government approval for certain exploration activities. In addition, any underlying freehold title will also require permissions for certain exploration activities.

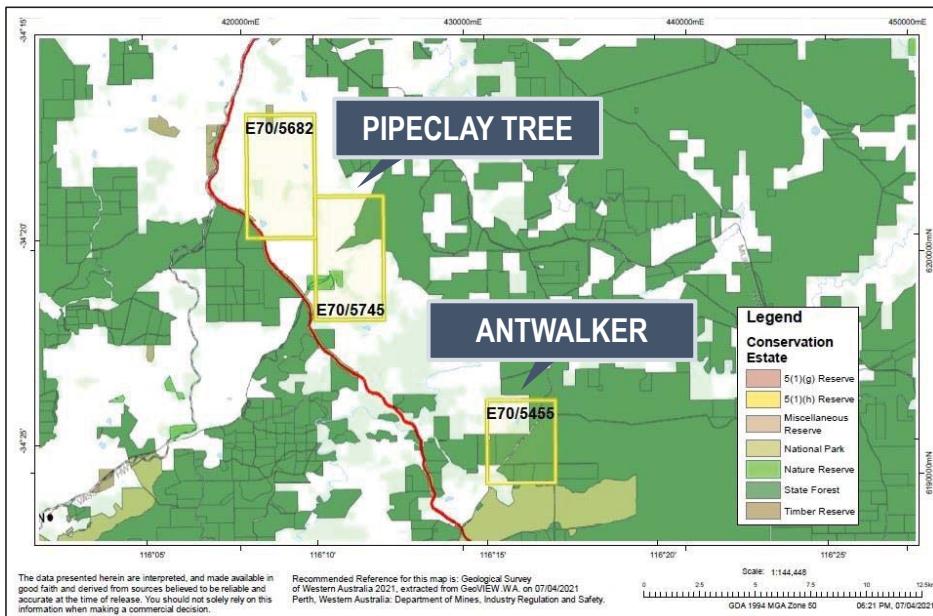


Figure 9: Antwalker and Pipeclay Tree Projects and Conservation Area

2.3.1 Project Geology

A drill traverse by BHP on the Antwalker tenement E 70/5455 in 2000 showed a thick layer of transported sand up to 27m on a clay rich saprolite profile on basement rocks of medium grained feldspar-quartz-biotite gneiss.

This sand horizon is not reflected in the 1:500,000 regolith geology map of Western Australia (Figure 10) as the mapping is on a regional scale. The sand cover seems to be more extensive than indicated on the smaller scale geological mapping. Additional mapping is recommended to fully understand the extent of the surficial sand deposits.

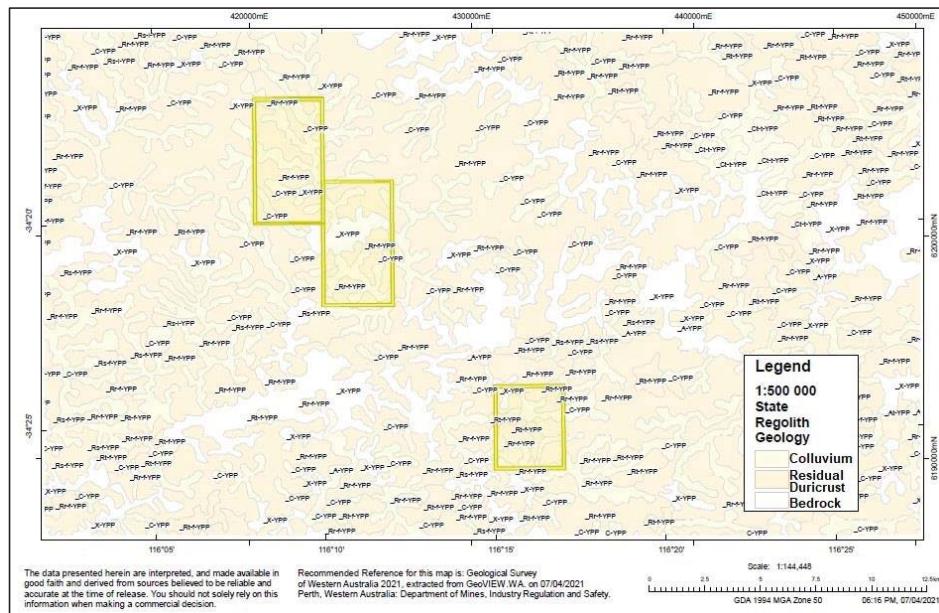


Figure 10: Antwalker and Pipeclay Tree Tenements with 1:500,000 GSWA regolith geology

Figure 11 shows the drilling conducted by BHP Minerals in 2000 with the geological logs tabulated in Table 9. This drilling indicates the presence of deeper sand filled channels within the surficial deposits. The cross section through the drilling as indicated on Figure 11 is shown in Figure 12. This section shows the extent of the sand horizon and the significantly deeper channels excised into the underlying granitic bedrock.

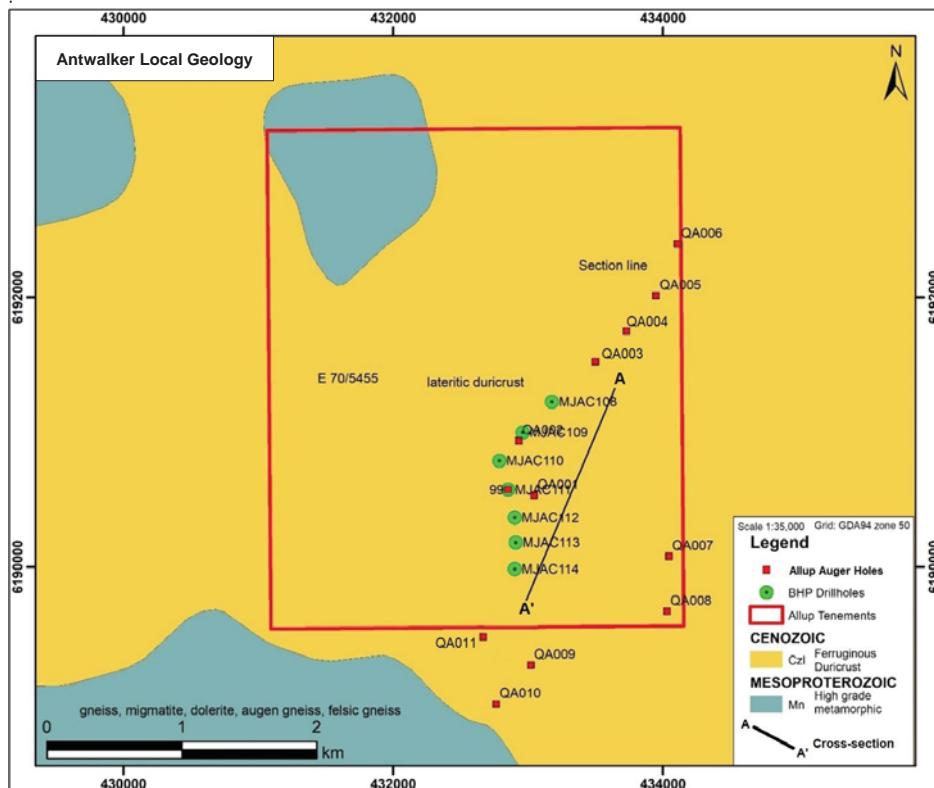


Figure 11: E 70/5455 Antwalker Project Geology showing drillhole and grab sample locations

2.3.2 Exploration History

BHP Minerals carried out exploration on eight tenements in the Manjimup and Pemberton areas between 1999 and 2000. The focus of this exploration was on base metal mineralisation in bedrock. Over 1000 lag samples were collected within weakly magnetic domains identified in the area. A detailed aeromagnetic survey was flown to identify magnetic targets. An air-core program was drilled in March 2000 to test significant lag Pb anomalies and magnetic bodies identified from the aeromagnetic survey.

The holes that BHP Minerals drilled on the Antwalker tenement E 70/5455 are summarised in the table below. No drilling was conducted within the area of Pipeclay Tree tenements E 70/5682 and E 70/5745.

Table 9: BHP Air-core drilling at Antwalker

Hole_ID	Hole_Type	Easting	Northing	EOH Depth	Dip	Azi	Sand Interval
MJAC108	Aircore	433177	6191224	53	-90	0	0-6m
MJAC109	Aircore	432960	6190997	28	-90	0	none
MJAC110	Aircore	432788	6190787	37	-90	0	0-27m
MJAC111	Aircore	432851	6190573	40	-90	0	0-27m
MJAC112	Aircore	432902	6190366	32	-90	0	0-10m
MJAC113	Aircore	432909	6190181	26	-90	0	0-10m
MJAC114	Aircore	432901	6189983	28	-90	0	0-4m

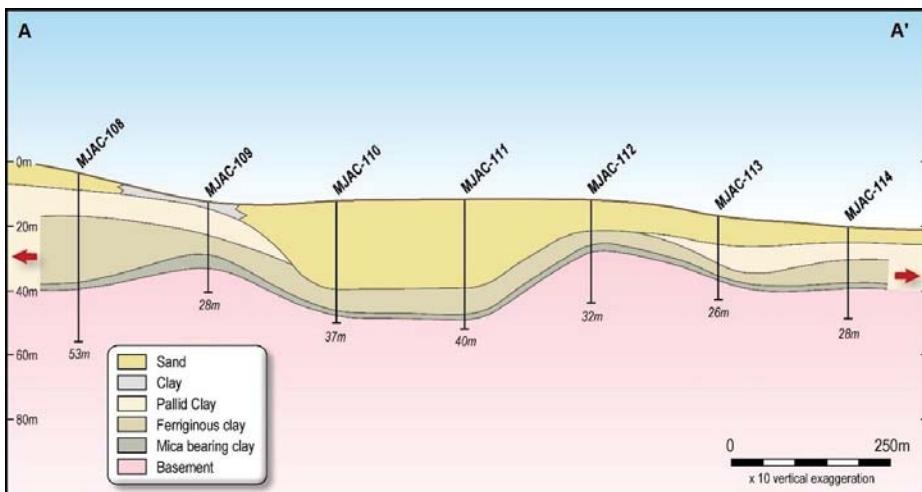
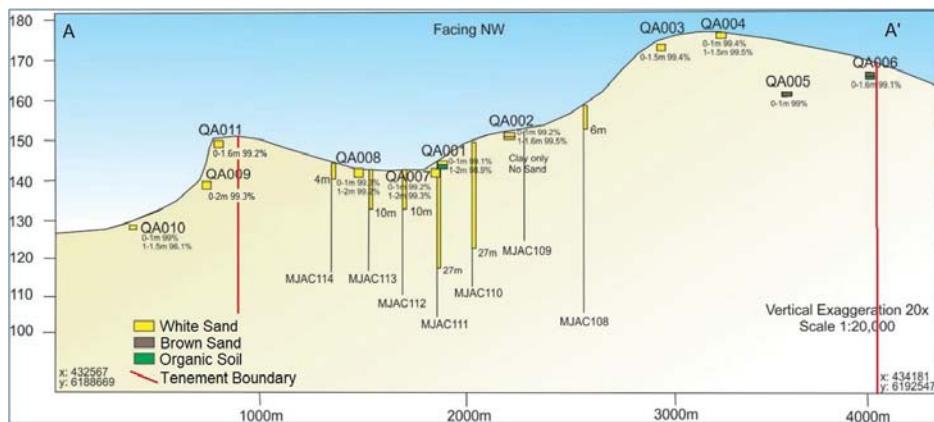


Figure 12: Section showing BHP air-core drilling at Antwalker

Results from eleven auger holes at Antwalker (see Figure 11 for locations) previously drilled with a hand held auger down to about 2m depth. Sand samples were taken from each hole, listed in Table 10 below, along with the assay results. A section of the auger holes is shown (Figure 13) with the locations of the BHP historical holes for context. It should be noted that holes QA009, 010 and 011 were drilled outside of the APS tenement. They illustrate the extent of the sand horizon right up to the tenement boundary.

Table 10: Antwalker Auger Drilling Results

Hole	Easting	Northing	RL	From	To	Geology	SiO ₂ %	TiO ₂ ppm	Al ₂ O ₃ ppm	Fe ₂ O ₃ ppm
QA001	433044	6190532	145	0	1	White sand	99.1	4,383	281	525
				1	2	Organic soil	98.9	6,020	923	947
QA002	432931	6190937	152	0	1	White brown sand	99.2	3,676	200	383
				1	1.6	White sand	99.5	3,559	193	336
QA003	433499	6191524	174	0	1	White sand	99.4	3,471	175	457
				1	1.5	White sand	99.4	4,295	179	617
QA004	433730	6191751	177	0	1	White sand	99.4	3,546	302	402
				1	1.5	White sand	99.5	3,363	224	387
QA005	433951	6192012	162	0	1	Brown sand	99	2,242	281	186
QA006	434109	6192397	167	0	1	Brown sand	99.1	5,048	581	698
				1	1.6	Organic soil	99.1	5,653	950	750
QA007	434044	6190079	143	0	1	White sand	99.2	3,774	211	239
				1	2	White sand	99.3	4,578	286	686
QA008	434030	6189670	143	0	1	no log	99.3	3,609	194	313
				1	2	no log	99.2	3,556	180	269
QA009	433020	6189273	140	0	1	White sand	99.3	3,849	679	540
				1	2	White sand	99.3	4,094	239	426
QA010	432763	6188985	129	0	1	White sand	99	5,383	502	646
				1	1.5	White sand and silcrete	96.1	8,039	5,654	20,852
QA011	432666	6189482	150	0	1	White sand	99.2	6,111	251	823
				1	1.6	White sand	99.2	6,164	236	891


Figure 13: Section showing BHP drillholes with previous auger hole sampling at Antwalker

2.3.3 Proposed Exploration Programs

Additional exploration is warranted on the Antwalker Project. Historic drilling by BHP Minerals has indicated the presence of significant sand deposits on E 70/5455. Subsequent shallow auger drilling by Allup Silica has shown the sand, at least over the top 1-2m, contains high levels of silica. Proposed exploration will include drilling to fully delineate the depth and extent of the target sand horizon. Assaying of the drilling will determine the silica grade and the grade of other relevant elements and potential contaminants. The aim of this initial drilling program will be to enable the estimation of Mineral Resources. It should be noted that exploration for silica sand on Pipeclay Tree tenements E 70/5682 and E 70/5745 is at a very early stage with no drilling or sampling yet undertaken. Field reconnaissance has indicated the presence of sand but the full extent of this is yet to be properly tested. The proposed exploration programs will address this with drilling programs. With a Mineral Resource Estimate it may be possible to progress to mining studies. Following on from this, additional exploration will include associated work to progress the project to an Ore Reserve should the drilling results and mining studies prove successful. This work will include hydrogeological and geotechnical studies for final pit designs. Metallurgical and beneficiation analysis is required to identify the processed silica sand specifications after it has been processed. Additional Metallurgical test-work will be required to finalise optimal processing routes. These proposed programs are summarised in Table 11.

Each step in the proposed program will be conducted contingent upon the success of the preceding activity. Auranmore agrees with the proposed exploration program and the justification for it. Previous exploration has indicated the presence of silica sands with high levels of silica. The Antwalker Exploration Target justifies additional work to fully test the potential economic viability of mining activities

Table 11: Proposed 2 year Exploration for the Antwalker and Pipeclay Tree Projects

Antwalker/Pipeclay Tree Silica Exploration Project	Year 1	Year 2	Total
Historical review	\$ 30,000	\$ -	\$ 30,000
Field works and sampling	\$ 30,000	\$ 20,000	\$ 50,000
Drilling	\$ -	\$ 80,000	\$ 80,000
Assaying	\$ 20,000	\$ 40,000	\$ 60,000
Metallurgical and beneficiation works	\$ 20,000	\$ 40,000	\$ 60,000
DTM/EM/Gravity/Aerial survey	\$ 30,000	\$ -	\$ 30,000
Geophysical studies	\$ 20,000	\$ -	\$ 20,000
Specialists/Consultants/Management/Others	\$ 150,000	\$ 140,000	\$ 290,000
Landowner compensation costs	\$ 60,000	\$ 20,000	\$ 80,000
Tenement compliance costs	\$ 9,000	\$ 9,000	\$ 18,000
TOTAL	\$ 369,000	\$ 349,000	\$ 718,000

2.4. Unicup Inferred Mineral Resource Estimate

An air-core drilling program was completed by Allup Silica in August 2021. This program enabled the estimation of an Inferred Mineral Resource Estimate (MRE) over the drilled sand channel. The drilling was confined to an area within E70/5447 where previous exploration has defined silica sand deposits. The Competent Person is of the opinion that there are reasonable prospects for eventual economic extraction of the mineral resource based on the shallow nature of the target mineralisation and location to transportation infrastructure. The MRE is presented in Table 12.

Table 12: Unicup Inferred Mineral Resource Estimate

Tonnes	SiO ₂ %	Al ₂ O ₃ %	Fe ₂ O ₃ %	TiO ₂ %	LOI %
73,000,000	96.6	1.1	0.41	0.47	0.68

2.4.1. Geology and geological interpretation

The Unicup tenements, E 70/5447 and E 70/5527 are located on poorly drained flats with lakes and low dune and undulating low hills and rises. The sediments of the area are part of the Werillup formation consisting of either carbonaceous clays and silts interbedded with fine to coarse grained quartz sands or thick beds of carbonaceous clay through to carbonaceous sandy silts. The distribution of the sediments is poorly understood due to extensive cover by ferricrete, alluvium and colluvium (Smith, 2003).

There is a sharp bedding contact between quartz sands and underlying clays or clayey silts. Quartz sands are poorly to moderately sorted, fine to coarse grained, with grains being angular to subangular.

An overview of the local geology at Unicup is shown in Figure 14. Deeper palaeochannels potentially containing significant sand deposits are also shown.

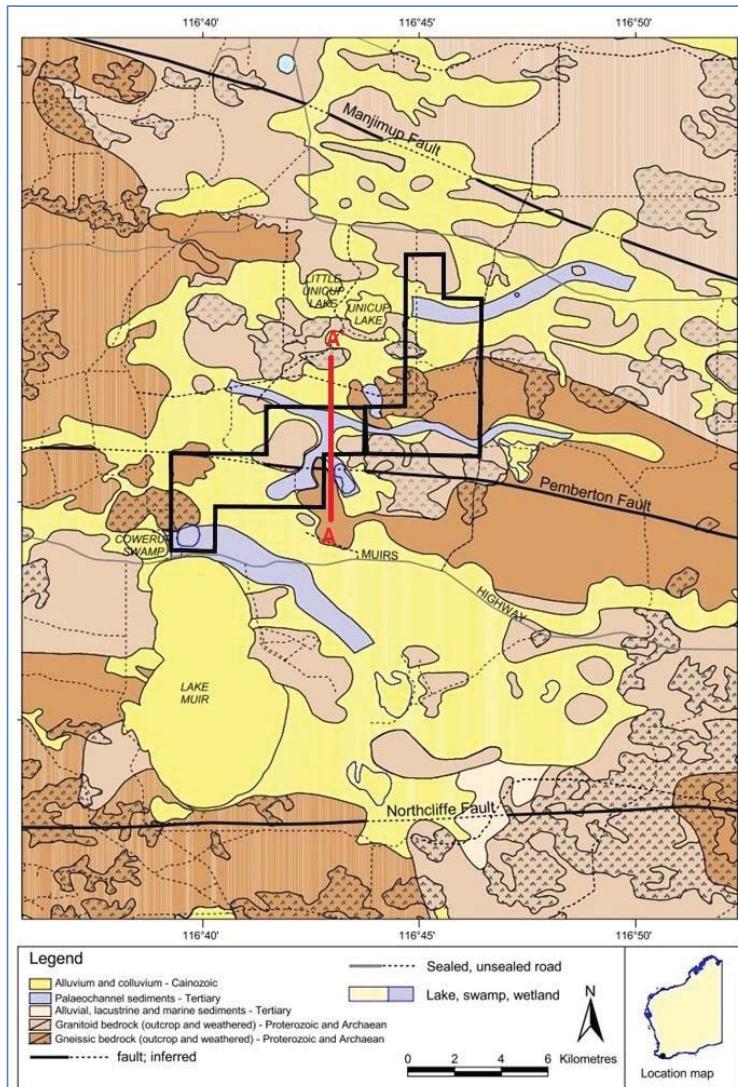


Figure 14: Unicup Project Geology showing long-section A-A' location in Fig 15 (from Smith 2010)

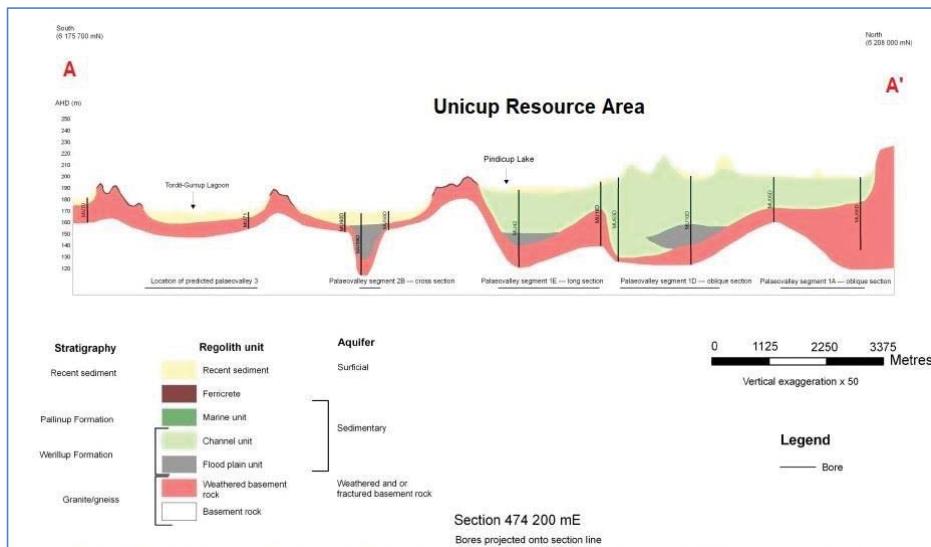


Figure 15: Long-section A - A' on 474200m E looking west (Smith 2010)

2.4.2. Sampling and sub-sampling techniques

Air-core drilling obtained 1m samples dispensed onto the ground. Samples were then collected from the spoil pile with 1m samples taken for hole UAC005 and then two meter composites taken from UAC006 to UAC018.

2.4.3. Drilling techniques

Drilling was air-core, utilising a Hydco 25 rig with 400cfm at 200psi air pressure. Holes were drilled on existing tracks. Holes were drilled vertically to intersect the generally flay lying sand horizons. Table 13 presents the air-core drill-hole details.

Table 13: Summary of Unicup Project Drilling Programs

Hole ID	Easting	Northing	Depth	Dip	Azi	Drill Type
UAC005	472313	6195101	24	-90	0	Aircore
UAC006	472416	6195122	21	-90	0	Aircore
UAC007	472595	6195194	18	-90	0	Aircore
UAC008	473236	6195256	20	-90	0	Aircore
UAC009	473414	6195200	15	-90	0	Aircore
UAC010	473388	6194998	24	-90	0	Aircore
UAC011	473290	6194792	21	-90	0	Aircore
UAC012	473450	6193950	18	-90	0	Aircore
UAC013	473842	6193878	21	-90	0	Aircore
UAC014	473991	6193723	13	-90	0	Aircore
UAC015	473420	6193555	12	-90	0	Aircore
UAC016	473076	6193600	24	-90	0	Aircore
UAC017	473075	6193458	21	-90	0	Aircore
UAC018	473162	6193452	15	-90	0	Aircore

2.4.4. Criteria used for classification

The Mineral Resource Estimates at Unicup has been classified as Inferred. The wide spaced drilling and the subsequent extrapolation of grades was the primary consideration used in determining the classification and the lack of dry bulk density measurements was also taken into account.

2.4.5. Sample analysis method

Samples were sent to Nagrom in Kelmscott, Perth. A suite of 29 elements were assayed with XRF analytical techniques. In addition, Loss on Ignition (LOI) was assayed by thermogravimetric (TGA) analysis. Assay results are presented in Appendix 3 with the results for SiO₂, Al₂O₃, Fe₂O₃, TiO₂ and LOI tabulated. These were the modelled assay variables in the block model.,

2.4.6. Estimation methodology

A solid wireframe shape representing the sand channel was modelled based on drill logs and assays. The boundaries of this wireframe were considered hard boundaries for the purposes of grade estimation. The drill data was composited into 2m intervals based on the predominant sampling interval. Modelled grades are based on raw assays with no modification applied.

Inverse distance squared grade interpolation was used. The search orientation was based on the geometry of the sand channel with a bearing of 330° and a dip and plunge of 0° applied. The grade estimation was completed in two passes. Pass 1 was on dimensions of 200mX, 100mY , 6mZ and pass 2, 1,600mX, 1,000mY, 30mZ. The pass 1 dimensions were based on drill spacings in the central and northern part of the sand channel. Pass 2 ensured that all blocks were informed with grades.

About 14% of blocks were informed with grades in pass 1 and 86% in pass 2. The minimum number of composites used was 3 and the maximum 25. The maximum extrapolation of sampled grades is approximately 1,000m. The extrapolation is based on the dimensions of the modelled sand channel (Figure 16).

The parent block size is 100mX, 200mY, 2mZ with a sub-block size of 20mX, 20mY, 2mZ.

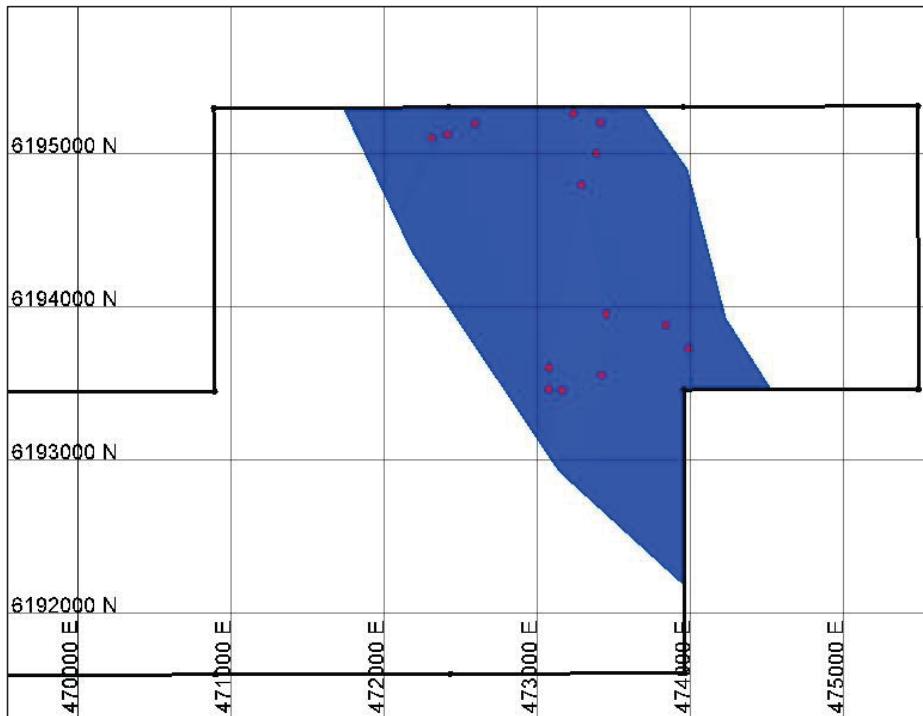


Figure 16: Unicup Deposit with sand channel and drillhole collar locations

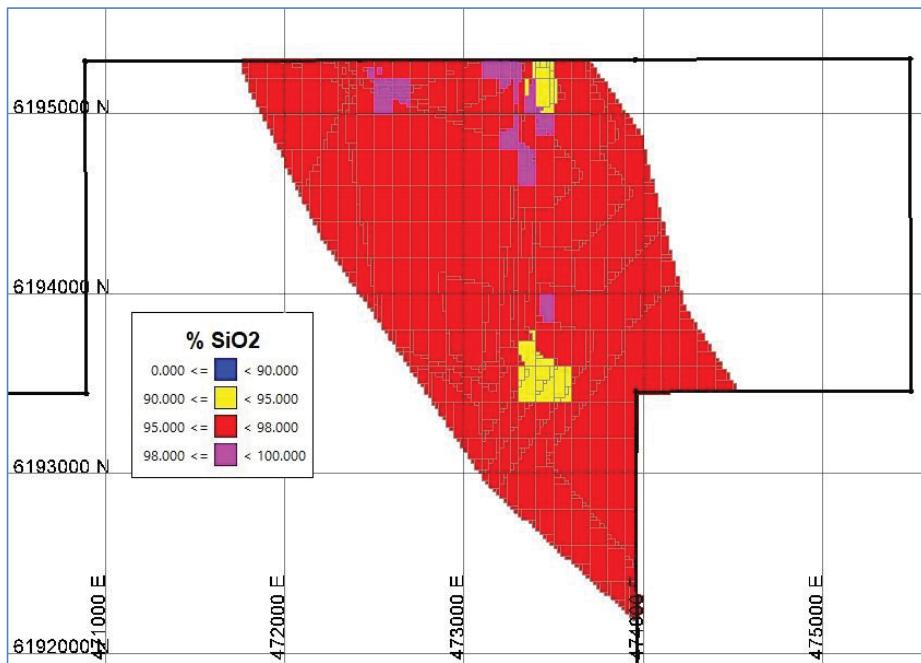


Figure 17: Unicup deposit showing silica model grades

2.4.7. Cut-off grade

A cut-off grade has not been applied to the Mineral Resource Estimation. All sand within the modelled shape has been reported at the average modelled silica grade.

2.4.8. Mining and metallurgical methods and parameters

No specific mining or metallurgical methods were incorporated into the modelling process.

2.5 Exploration Target – Antwalker

Based on existing drilling and knowledge of the extent of the silica sands, an exploration target has been estimated for the Antwalker Project.

The potential quantity and grade of an exploration target is conceptual in nature. There has been insufficient exploration to determine a mineral resource and there is no certainty that further exploration work will result in the determination of mineral resources or that the production target itself will be realised.

This exploration target has been based on volumes of sand estimated from the BHP Minerals air-core drilling. This drilling fully intersected the sand horizons thus providing an estimated true thickness of the sand horizon. The range of tonnages is based on an estimate of the possible variation in the average thickness of the sand. The target zones are those that have been identified as potential palaeochannels containing deeper sand levels. The grade ranges are based on the recent grab sampling, auger drilling and assaying by Allup Silica. A dry bulk density of the sand of 1.6t/m³ was assumed to estimate tonnages.

The Antwalker Project Exploration Target is based on E 70/5455 only. The tonnage is based on the area immediately surrounding the drilling where a palaeochannel has been identified (see Figure 18). At this stage there has been insufficient exploration on the Pipeclay Tree tenements E 70/5682 and E 70/5745 to justify the estimation of Exploration Targets on these tenements.

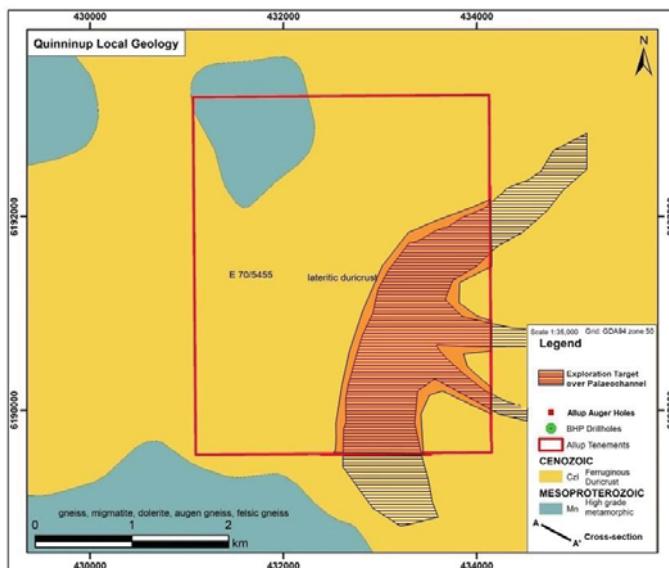


Figure 18: Antwalker Exploration Target E 70/5455 (Allup Silica)

The Exploration Targets have been presented with amounts of material prior to beneficiation, ie the raw material mined before any processing takes place.

The Exploration Target has been estimated to justify the proposed exploration programs. Proposed exploration programs to test the Exploration Target include a significant amount of drilling to delineate the areal extent and thickness of the sand deposits. These proposed explorations programs and budgets are summarised in this report in sections 2.3.3. A comprehensive sampling program of the drilling will enable the distribution of silica and other relevant elements to be modelled. Material obtained from the drilling program will be used for a metallurgical testing program to assess the viability of producing a high quality silica sand product.

Table 14: Exploration Target for Antwalker Project

Antwalker		Before Beneficiation Processing
Tonnage Range	Minimum	Maximum
Exploration Target	20,000,000	40,000,000
Grade		
Silica (SiO ₂) %	97%	99%
Inclusions	Lowest	Highest
Iron Oxide (Fe ₂ O ₃) % (ppm)	0.04% (400 ppm)	0.08% (800 ppm)
Titanium Dioxide (TiO ₂) % (ppm)	0.35% (3500 ppm)	0.55% (5500 ppm)
Alumina (Al ₂ O ₃) % (ppm)	0.03% (300 ppm)	0.07% (700 ppm)
LOI % (moisture and volatiles)	0.70%	1.00%

The potential quantity and grade of an exploration target is conceptual in nature. There has been insufficient exploration to determine a mineral resource and there is no certainty that further exploration work will result in the determination of mineral resources or that the production target itself will be realised.

3.0 ARGYLE SANDS PROJECT

The Argyle Sands Project is located approximately 80km south of Wyndham in the Kimberley region of Western Australia. Access to E80/5629 and E80/5524 is via the sealed Great Northern Highway which passes through the project area E80/5652 is accessed via the sealed Victoria Highway and is located about 7km east of the town of Kunanarra.



Figure 19: Location of Argyle Sands Project Tenements

3.1. Project Geology

The surficial deposits covering the area of E80/5629 and E80/5524 are dominated by alluvium and colluvium associated with the confluence of the Dunham River and Cabbage Tree Creek. This consists of sands, gravels and clays overlying the Devonian, Cambrian and earlier Proterozoic rock units. Figure 17 shows the two tenements with the surface geology mapping from the 1:250000 Lissadell mapsheet, SE52-2. The colluvial and alluvial deposits are shown in yellow with the occasional outcrop of the underlying Devonian sandstone (labelled DC on map). Figure 20 shows the geology of E80/5652 from the Cambridge Gulf 1:250000 SD52-14 map-sheet, with the recent alluvial sediments associated with the Eight Mile Creek making up the majority of the tenement area.

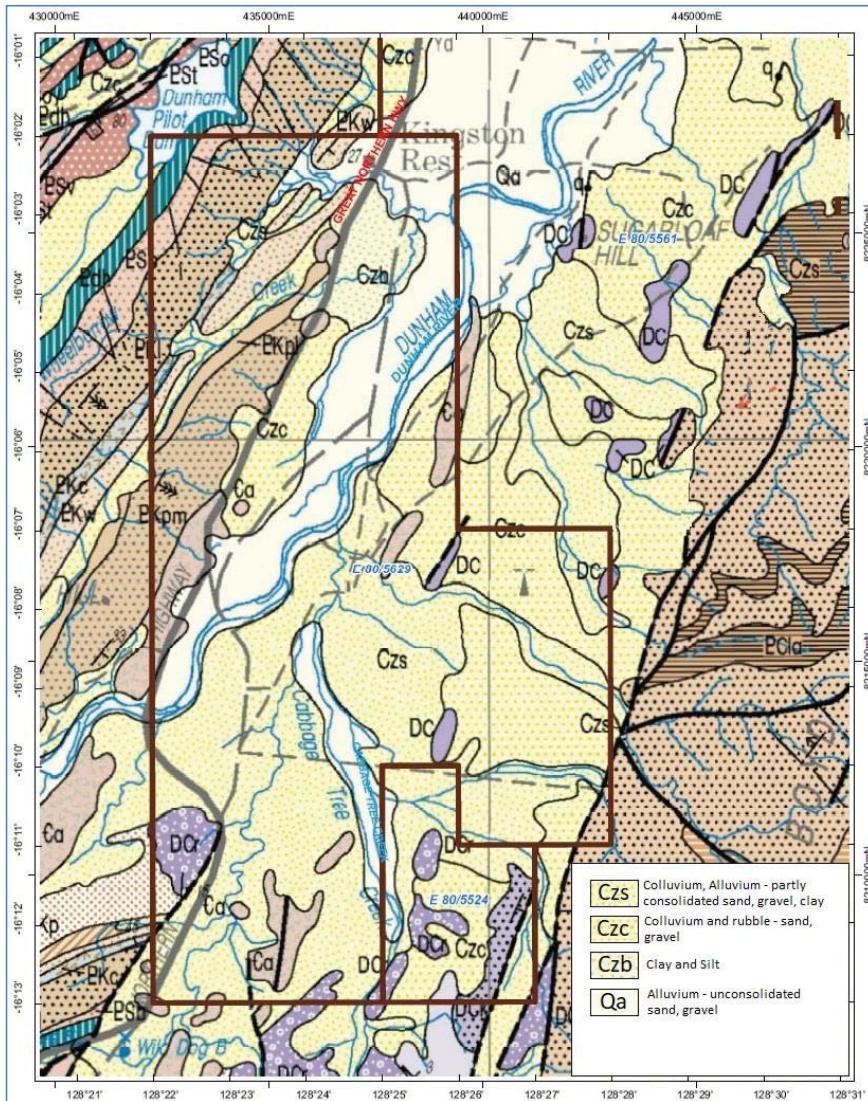


Figure 20: Geology of tenements E80/5629 and E80/5524

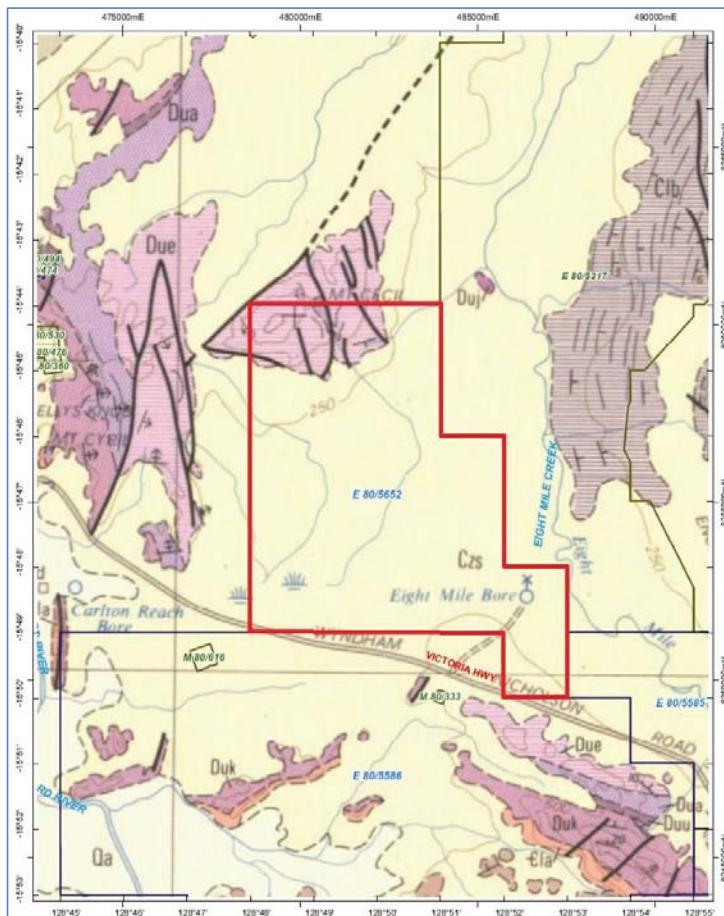


Figure 21: Geology of E80/5652

3.2. Exploration History

The region of the project area has an extensive exploration history mainly targeting diamonds and base metals. There has been no recorded exploration targeting high silica sands. Diamond exploration has been focussed on the search for kimberlite pipes and alluvial diamonds. The Argyle Diamond mine (recently closed) is located about 60km to the south of the project area and the discovery of this in 1979 precipitated a significant exploration effort for other diamond deposits. Given the focus of Allup Silica Sand is silica sand mineralisation, a detailed report on previous exploration for diamonds and base metals is not considered relevant.

The most recently recorded exploration within the area of E80/5629 and E80/5524 was for uranium within the Devonian sandstone. Areva Resources Australia drilled two diamond core holes in E80/5629 into the Devonian Sandstone in 2012. The results indicated little potential for conditions conducive for uranium mineralisation and Areva relinquished the tenements.

Exploration over the area of tenement E80/5652 has focussed on diamonds and base metals. In 1979 CRA Exploration discovered several micro-diamonds and kimberlitic indicator minerals within the Eight Mile Creek area however no primary source was found. The most recently recorded exploration was conducted by Mincor Resources in 2012. Exploration was targeting base metals within Devonian limestones. A surface geochemical survey was completed however the overlying alluvial sediments of the Eight Mile Creek system (Czs on Figure 21) made exploration difficult so the tenements were relinquished.

In 2021 APS conducted a sampling program within E80/ 5524. These were grab samples taken from surface with a shovel. Sample locations are shown in Figure 22

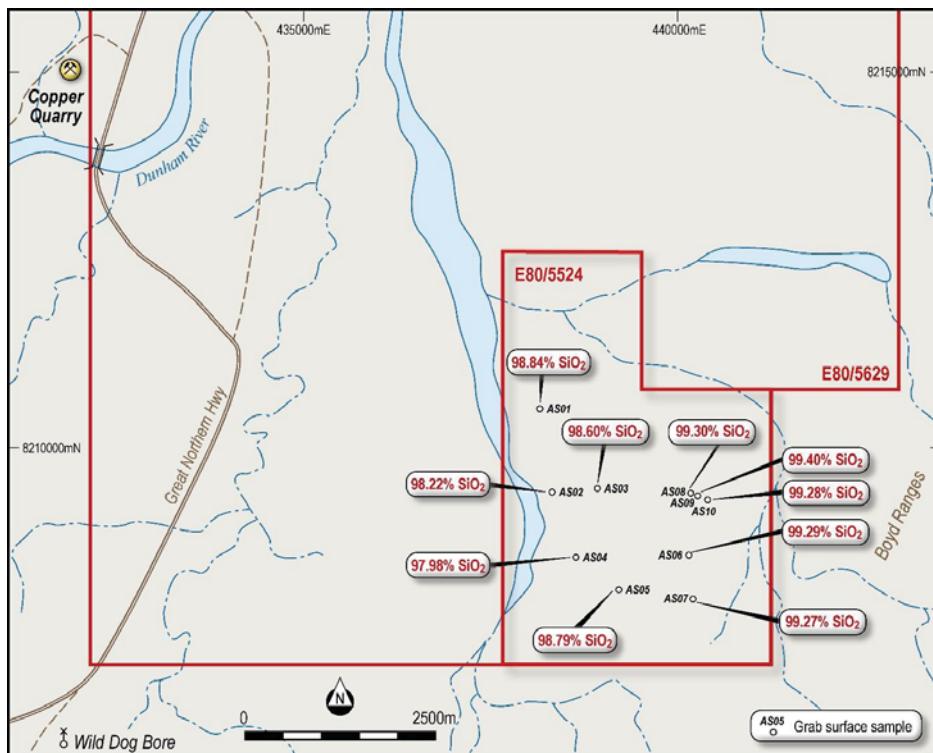


Figure 22: Sample Locations within E80/5524 (Allup Silica)

Table 15: Assaying Results From Allup 2021 Sampling Program

	AS01	AS02	AS03	AS04	AS05	AS06	AS07	AS08	AS09	AS10
SiO₂ %	98.84	98.22	98.6	97.98	98.79	99.29	99.27	99.3	99.4	99.28
Al₂O₃ %	0.26	0.63	0.25	0.83	0.28	0.13	0.11	0.2	0.22	0.25
As₂O₃ %	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001
BaO %	0.004	0.002	<0.001	0.005	0.001	0.005	<0.001	0.002	0.002	0.003
CaO %	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01
Cl %	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01
Cr₂O₃ %	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001	0.001	<0.001	<0.001	<0.001
CuO %	0.002	0.001	<0.001	<0.001	<0.001	<0.001	0.001	0.001	<0.001	<0.001
Fe₂O₃ %	0.20	0.31	0.13	0.37	0.19	0.07	0.06	0.07	0.07	0.09
K₂O %	0.033	0.038	0.026	0.033	0.026	0.023	0.016	0.018	0.016	0.017
MgO %	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01
MnO %	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001
Na₂O %	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01
NiO %	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001
P₂O₅ %	0.006	0.009	0.006	0.008	0.007	0.005	0.006	0.007	0.007	0.008
PbO %	<0.001	0.002	0.001	<0.001	0.002	<0.001	0.002	<0.001	0.001	<0.001
SO₃ %	0.009	0.007	0.010	0.006	0.014	0.009	0.007	0.008	0.007	0.005
Sb₂O₃ %	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01
SrO %	0.001	<0.001	0.001	<0.001	0.001	<0.001	<0.001	0.002	0.001	<0.001
TiO₂ %	0.041	0.061	0.044	0.071	0.053	0.033	0.027	0.024	0.023	0.022
V₂O₅ %	<0.001	<0.001	<0.001	0.002	0.002	<0.001	<0.001	<0.001	<0.001	<0.001
ZnO %	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001
ZrO₂ %	0.006	0.011	0.007	0.019	0.018	0.008	0.007	0.003	0.003	0.003
LOI %	0.59	0.58	0.75	0.57	0.49	0.27	0.28	0.19	0.13	0.14

Table 16: Location of Argyle Sands Project Samples

Sample No.	MGA94 East	MGA94 North
AS01	438081	8210422
AS02	438259	8209298
AS03	438868	8209344
AS04	438567	8208422
AS05	439149	8207981
AS06	440085	8208446
AS07	440142	8207874
AS08	440130	8209277
AS09	440211	8209247
AS10	440336	8209196



Figure 23: Example of unconsolidated sand at surface

3.3. Proposed Exploration Programs

The Argyle Sands Project is at an early stage of exploration. The initial sampling exercise and site reconnaissance justifies additional exploration to define the extent of the silica sand deposits. An extension of the surface sampling program is recommended to establish the lateral extents of the silica sand over the tenement area. This can be followed up with an auger drill program to establish the depth extent of the sand. A Reverse Circulation (RC) drilling program can then commence to obtain quality samples from the sand horizons to provide data for metallurgical and beneficiation test-work. In addition, this drilling may be used to commence Mineral Resource Estimate studies.

Each step in the proposed program will be conducted contingent upon the success of the preceding activity. Auranmore agrees with the proposed exploration program and the justification for it. Previous exploration has indicated the presence of silica sands with high levels of silica. Additional work is justified to fully test the potential economic viability of mining activities

Table 17: Proposed Exploration Program Argyle Sands Project

Argyle Silica Exploration Project	Year 1	Year 2	Total
Historical review	\$ 40,000	\$ -	\$ 40,000
Field works and sampling	\$ 80,000	\$ -	\$ 80,000
Drilling	\$ -	\$ 160,000	\$ 160,000
Assaying	\$ 40,000	\$ 20,000	\$ 60,000
Metallurgical and beneficiation works	\$ 80,000	\$ 20,000	\$ 100,000
DTM/EM/Gravity/Aerial survey	\$ 70,000	\$ -	\$ 70,000
Geophysical studies	\$ 50,000	\$ -	\$ 50,000
Specialists/Consultants/Management/Others	\$ 150,000	\$ 280,000	\$ 430,000
Landowner compensation costs	\$ 50,000	\$ 50,000	\$ 100,000
Tenement compliance costs	\$ 25,000	\$ 25,000	\$ 50,000
TOTAL	\$ 585,000	\$ 555,000	\$ 1,140,000

4.0 ESPERANCE SANDS PROJECT

The Esperance tenements are accessed from the town of Esperance. E63/2137 (Dune Buggy) is about 20km west of Esperance and can be accessed from the south by tracks off the Eleven Mile Beach Road and from the north by tracks off Telegraph Road. E63/2138 and E63/2139 (collectively known as Pink Bark) are located 90km north-north-west from Esperance and are accessed from the town of Salmon Gums via Machen Road, a distance of about 20km. The Dune Buggy tenement is partly covered with freehold land holdings and with government reserves.



Figure 24: Location of Esperance Project Tenements

4.1. Project Geology

This summary of the regional geology is sourced from Guarin (2013). The Albany-Fraser Mobile Belt (AFMB) is an arcuate belt of high-metamorphic grade mafic to felsic gneisses and granulites, granitic rocks and low- to medium-metamorphic grade metasedimentary rocks that extend along the southern and southeastern margin of the Yilgarn Craton. The AFMB formed as a result of the Albany-Fraser Orogeny, which is the result of the Mesoproterozoic continent-continent collision of the Yilgarn Craton, the precursor rocks of the AFMB and the combined Mawson Craton of East Antarctica and South Australia, between 1345Ma and 1140Ma. The development of the major northeast-oriented faults such as the Cundeelee

Fault and the strong foliation along the boundary zone between the mainly Mesoproterozoic age rocks of the Albany—Fraser Orogen and the Yilgarn Craton is attributed to this collisional event).

The AFMB comprises the litho-tectonic units of the Biranup Complex, the Mesoproterozoic Fraser and Nornalup Complexes, and the associated Mesoproterozoic metasedimentary rocks of the Stirling Range Formation and Mount Barren Group. The Biranup Complex consists of reworked Archaean rocks of the Yilgarn Craton and Mesoproterozoic granitic sheets. The Fraser Complex is subdivided into five mafic units that are interleaved with quartzo-feldspathic granulite, metasedimentary rocks and gneiss. Most of the complex was metamorphosed to granulite facies, although locally preserved igneous textures confirm the complex represents a metamorphosed layered mafic intrusion. The Nornalup Complex is comprised of the Recherche and Esperance Granite complexes, the Malcolm Gneiss, and minor metasedimentary rocks.

Prior to the collision of the Albany-Fraser Orogen with the Yilgarn Craton, granite and granodiorite intruded the Biranup Complex between ca 1700Ma and 1600Ma. The collision between the Mesoproterozoic rocks of the Albany-Fraser Orogen (including the adjacent landmass of the Mawson Craton) and the Yilgarn Craton took place between 1345Ma and 1260Ma (Stage 1 Albany-Fraser Orogeny). Stage 1 deformation was accompanied by the intrusion of the Fraser Complex and subsequent amphibolite to granulite facies metamorphism. Deformation intensity is variable across the AFMB with granulite facies metamorphism outlasting deformation. Stage 2 of the Albany-Fraser Orogeny included the intrusion of 1215Ma to 1140Ma granite and pegmatite, exhumation of the orogen and retrograde metamorphism.

Allup Silica is focussed on exploring Quaternary sand dunes within the tenement areas that are considered prospective for high grade silica sand. These sand deposits over-lie the gneissic basement rocks and are the result of erosion of these rocks and subsequent transportation through alluvial, eluvial and aeolian processes. The surface geology of E63/2137 is illustrated in Figure 25 and the Pink Bark project, E63,2138 and E63/2139 in Figure 26.

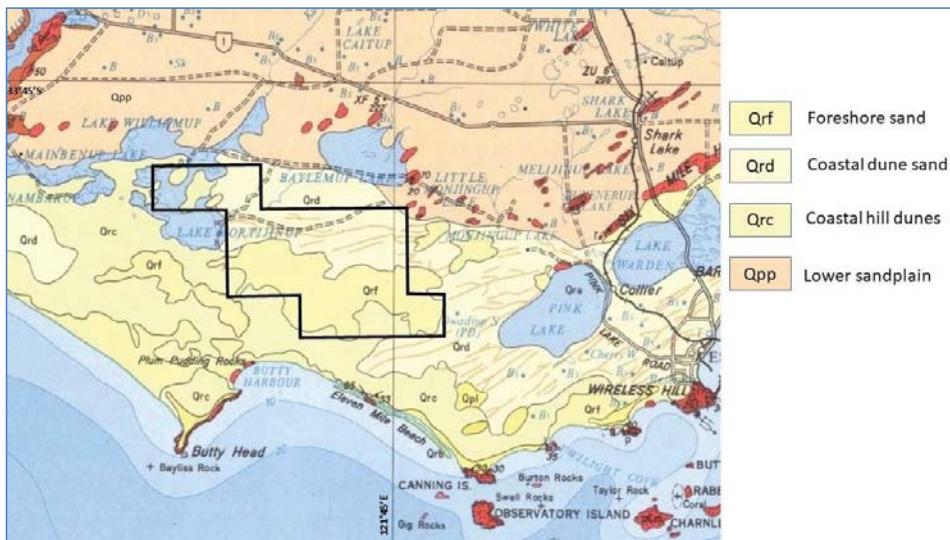


Figure 25: Surface Geology E63/2137

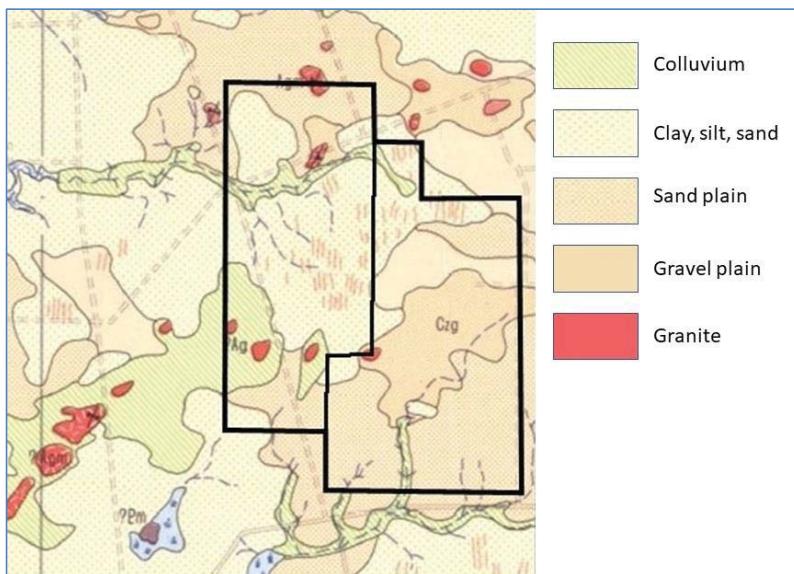


Figure 26: Surface Geology Pink Bark Project

4.2. Exploration History

Exploration within E63/2137 has been very sparse with only reconnaissance work being recorded.

Australian Silica Quartz Pty Ltd, in 2019, completed a preliminary program in the Dune Buggy tenement area. Two roadside tests, labelled 1 and 2 in Figure 27, accessed on the side of Teale road which was accessed off Telegraph Road showed no indication of CaO with roadside acid testing (HCL). Testing in the middle of the tenement on Telegraph road, sample 3, showed the presence of CaO. The tenement was then accessed from the western side with two favourable tests indicating no CaO present but a small hole was dug showing that the desirable sand layer was only 60cm deep before encountering gravel. These sample locations are to the west of the current tenement. There is no recorded exploration within E63/2137.

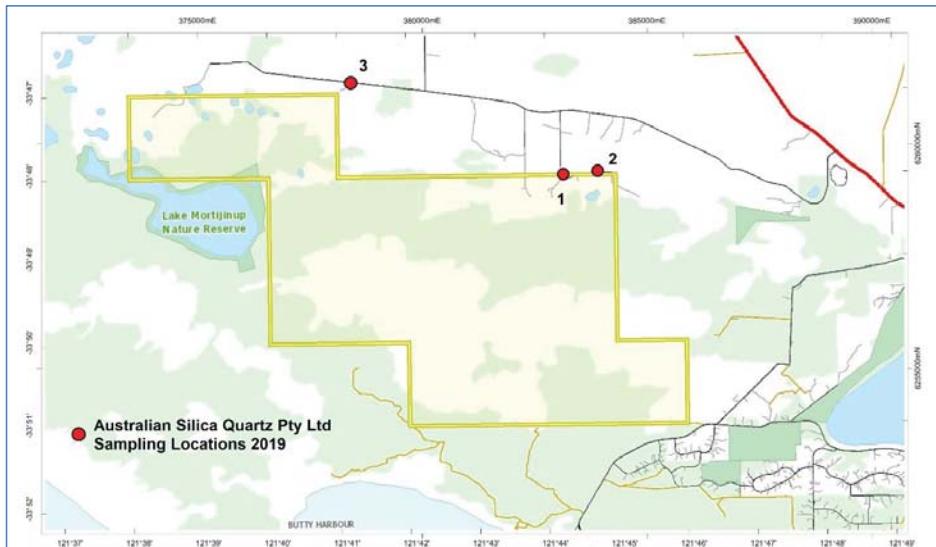


Figure 27: Location of 2019 sampling by Australian Silica Quartz Pty Ltd

Exploration on the Pink Bark tenements has been limited to a series of air-core holes drilled in 2009 by Triton Gold Ltd targeting gold mineralisation in the basement rock. The holes were drilled on a 1,000m x 250m spacing. These holes intersected overlying sand horizons and the geological logs have recorded sand thicknesses. No assays were taken within the sand, the holes were only sampled at the base of hole in the Archaean basement. The location of these holes is shown in Figure 28. The sand is up to 14m deep from surface, Figure 29 shows contours of sand thickness from surface.

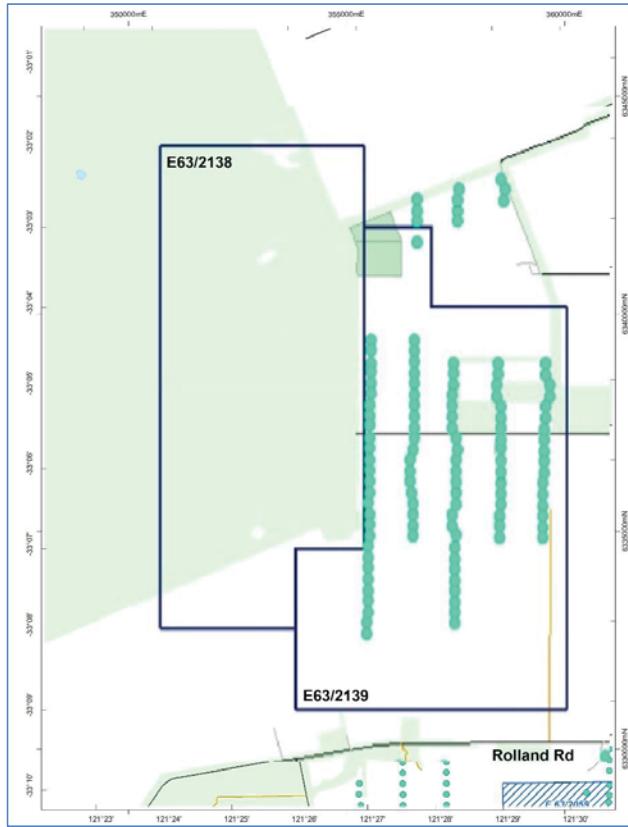


Figure 28: Pink Bark Project showing air-core drill holes

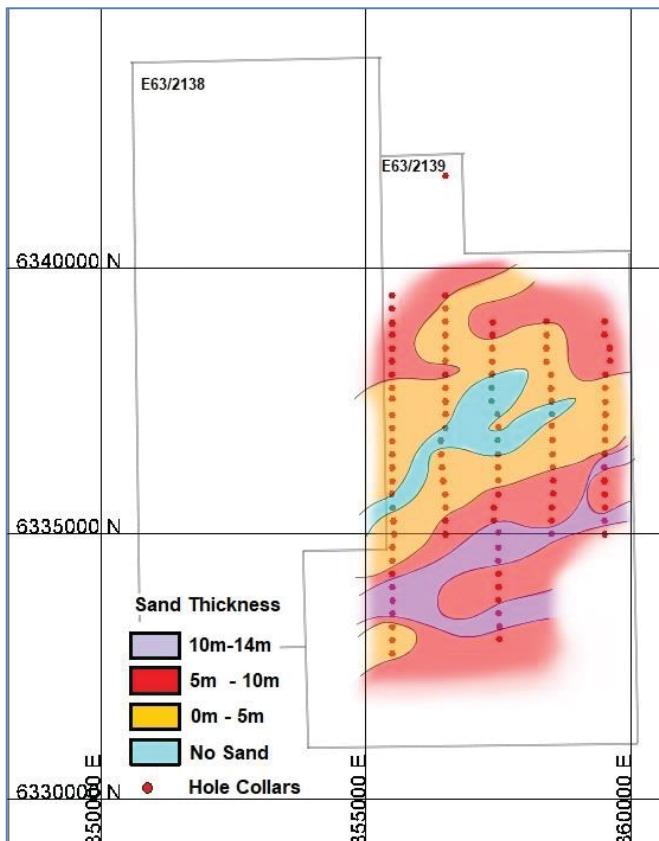


Figure 29: Pink Bark Sand Thickness Contours

4.3. Proposed Exploration Programs

The Esperance Sands Project is at a very early stage of exploration. Historic drilling at Pink Bark has established the thickness of prospective sand units however no assaying has been completed within this sand. A surface sampling and/or hand augering program is recommended to establish the lateral extents of the silica sand over the tenements. This can be followed up with a deeper auger drill program to establish the depth extent of the sand. A Reverse Circulation (RC) drilling program can then commence to obtain quality samples from the sand horizons to provide data for metallurgical and beneficiation test work. In addition, this drilling may be used to commence Mineral Resource Estimate studies.

Each step in the proposed program will be conducted contingent upon the success of the preceding activity. Auranmore agrees with the proposed exploration program and the justification for it. Previous exploration has indicated the presence of silica sands. Additional work is justified to fully test the potential economic viability of mining activities

Table 18: Proposed Exploration Program Esperance Sands Project

Esperance Silica Exploration Project	Year 1	Year 2	Total
Historical review	\$ 15,000	\$ -	\$ 15,000
Field works and sampling	\$ 40,000	\$ -	\$ 40,000
Drilling	\$ -	\$ 80,000	\$ 80,000
Assaying	\$ 30,000	\$ 40,000	\$ 70,000
Metallurgical and beneficiation works	\$ 30,000	\$ 40,000	\$ 70,000
DTM/EM/Gravity/Aerial survey	\$ 25,000	\$ -	\$ 25,000
Geophysical studies	\$ 15,000	\$ -	\$ 15,000
Specialists/Consultants/Management/Others	\$ 80,000	\$ 90,000	\$ 170,000
Landowner compensation costs	\$ 60,000	\$ 20,000	\$ 80,000
Tenement compliance costs	\$ 12,000	\$ 12,000	\$ 24,000
TOTAL	\$ 307,000	\$ 282,000	\$ 589,000

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6.0 Competent Persons Statement

The information in this report that relates to Mineral Resources, Exploration Results and Exploration Targets is based on information compiled by Richard Maddocks, a Competent Person who is a Fellow of The Australasian Institute of Mining and Metallurgy (No. 111714). Mr. Maddocks is employed by Auranmore Consulting, an independent consultant to the Company. Mr. Maddocks has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Maddocks consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 1: JORC Table – Antwalker, Unicup, Esperance and Argyle Air-core and Auger Drilling and Grab Sampling

Section 1 Sampling Techniques and Data		
Criteria	JORC Code Explanation	Commentary
Sampling techniques	<p><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></p> <p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p> <p><i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (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></p>	<p>BHP Mineral conducted sampling on 6m intervals downhole. The bottom of hole was also sampled. Allup Silica auger sampling was conducted with a hand held auger, sampling was done on 0.5m to 1m intervals by taking a representative sample from the spoil pile as it was augered. Allup Silica air-core drilling at Unicup was sampled on 2m intervals. Grab samples at Unicup and Argyle were taken with a shovel with a sample size of about 3kg.</p>
Drilling Techniques	<p><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, whether core is oriented and if so, by what method, etc).</i></p>	<p>BHP Minerals carried out air-core drilling on the Unicup and Antwalker Project areas. Allup Silica carried out auger drilling with a hand held auger and grab sampling. Allup Silica conducted air-core drilling at the Unicup project.</p>
Drill Sample Recovery	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p> <p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></p> <p><i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></p>	<p>Recoveries from the BHP drilling are unknown. Allup Silica auger recoveries were very good due to the shallow nature of the holes and the dry conditions. Allup Silica air-core recoveries at Unicup were generally very good.</p>
Logging	<p><i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></p> <p><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></p> <p><i>The total length and percentage of the relevant intersections logged.</i></p>	<p>All drill holes have been geologically logged for major lithological contacts.</p>
Sub-sampling techniques and sample preparation	<p><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></p> <p><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></p> <p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p> <p><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></p> <p><i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></p> <p><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p>	<p>BHP sub sampling techniques are not known. Allup Sand took an approximate 3kg sub sample from the auger and/or air-core drill spoil pile.</p>

Quality of assay data and laboratory tests	<p>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</p> <p>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</p> <p>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</p>	<p>BHP Holes were assayed for Au, Pt and Pd by fire assay.</p> <p>BHP assayed for Cu, Pb, Zn, As, Ag, Fe, Mn, Mo, Ni, Sb, V,M by ICP-OES and ICP-MA. These results have not been reported as the results in the silica sand were negligible.</p> <p>Allup Silica assaying was for suite of 36 elements by Multi-acid digest including Hydrofluoric, Nitric, Perchloric and Hydrochloric acids in Teflon Beakers. Analysed by Inductively Coupled Plasma Optical (Atomic) Emission Spectrometry. Internal standards, duplicates and blanks were inserted by Intertek Genalysis during the assaying procedure.</p> <p>Argyle samples were assayed by Nagrom with a suite of 23 elements and LOI. Assay method was Xray fluorescence.</p>
Verification of sampling and assaying	<p>The verification of significant intersections by either independent or alternative company personnel.</p> <p>The use of twinned holes.</p> <p>The verification of significant intersections by either independent or alternative company personnel.</p> <p>Discuss any adjustment to assay data.</p>	<p>There has been no verification of the sampling and assaying.</p> <p>The BHP Minerals logs have been used to determine the thickness of the target sand unit.</p>
Location of data points	<p>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</p> <p>Specification of the grid system used.</p> <p>Quality and adequacy of topographic control.</p>	<p>BHP Holes were originally reported in AMG Zone 50 co-ordinates. They have been converted to Map Grid Australia (MGA) Zone 50.</p> <p>Method of surveying the BHP hole collars is not known.</p> <p>Allup Sand drilling and sampling was surveyed with a hand held GPS with +/- 5m accuracy.</p>
Data spacing and distribution	<p>Data spacing for reporting of Exploration Results.</p> <p>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</p> <p>Whether sample compositing has been applied.</p>	<p>Nominal hole spacing was generally random over the project area and followed established tracks</p> <p>Auger and Grab sampling by Allup Silica was conducted via accessible tracks.</p>
Orientation of data in relation to geological structure	<p>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</p> <p>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</p>	<p>The BHP drilling was vertical through generally flat lying sediments including the silica sand.</p> <p>Allup Silica drilling was vertical through flat lying sand deposits at Unicup.</p>
Sample security	<p>The measures taken to ensure sample security.</p>	<p>BHP sample security measures are not known.</p> <p>Allup Sand transported the samples directly to the assay laboratory in Perth WA.</p>

Section 2 Reporting of Exploration Results

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	<p>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</p> <p>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</p>	<p>The Unicup tenements have been granted to Allup Silica Limited.</p> <p>The Antwalker tenement has been applied for by Allup Silica Limited and is yet to be granted.</p> <p>The tenements are in, or expected to be once granted, good standing with no known encumbrances that might impede future activities.</p>

		<p>The Argyle tenements and the Esperance tenements are in the application stage and are yet to be granted to Allup Silica Ltd.</p> <p>The presence of conservation areas and freehold title may require granted permissions to be obtained before certain exploration activities are conducted ie clearing for drilling.</p>
Exploration done by other parties		<p>Exploration by other parties has focused on coal within the sediments and base metals and gold in the basement rocks. No exploration has been conducted focussing on silica sands.</p> <p>BHP Mineral has carried out drilling programs targeting the basement and in doing so has drilled through sand horizons. Allup Silica has used this drilling to estimate an Exploration Target for the Antwalker Project.</p> <p>Triton Gold Ltd drilled air-core holes on the Pink Bark tenements in the Esperance Sands Project exploring for gold.</p>
Geology		<p>The areas of interest are located on elevated sand plain and residual laterite terrain of the Biranup Zone in the Proterozoic Albany-Fraser Orogen of south-west Western Australia. It is underlain by quartz-feldspathic gneisses, mainly derived from granitoid rocks of the Biranup and Nornalup Complexes.</p> <p>The high grade, pure quartz silica sands are part of the mid to late Eocene Werillup Formation which consists of alluvial river sands and gravel, laid on low grade coal and lignite laid down in coastal swamps. The host stratigraphy at Unicup and Antwalker are up to 64m in thickness and crop out at surface.</p> <p>The Eocene coastal plain and continental margin sedimentary rocks (like the Eucla Basin stratigraphy) lie directly on a truncated profile of saprolitic Albany-Fraser rocks of Proterozoic age which in the Unicup area consist of the Biranup Complex: meta-sedimentary quartz-feldspar schist; garnet-amphibole schist; graphitic schist; and gneissic rocks (mainly felsic orthogneiss) cut by late mafic dykes, and late stage pegmatites. Granitic to granodioritic late stage intrusives occur especially in the southern parts of the Biranup Complex. Large layered gabbroic massifs occur at Bridgetown.</p> <p>The Argyle tenements are covered by a layer of alluvium and colluvium over Devonian and earlier basement rocks. The recent sediments are associated with the Dunham River and Cabbage Tree Creek. The thickness of the sand units is yet to be established.</p> <p>The Esperance Sands Project is focussed on recent sand deposits covering the metamorphic terrain of the Albany-Fraser Mobile Belt.</p>
Deposit type, geological setting and style of mineralisation.		
Drill hole information	<p>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</p> <ul style="list-style-type: none"> - easting and northing of the drill hole collar, - elevation or RL (Reduced Level - elevation above sea level in metres) of the drill hole collar, - dip and azimuth of the hole, - down hole length and interception depth hole length. 	<p>Drilling and sampling details are contained and tabulated within the report.</p> <p>The BHP drilling was used to indicate the presence and thickness of sand deposits. The BHP sampling and assaying has not been utilised in this report as it is not relevant to silica sand.</p> <p>Drilling by Allup on the Unicup project is tabulated in the report.</p>

	<i>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.</i>	
Data aggregation methods	<i>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 aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	Exploration results are reported as individual sample intervals. No high grade cuts have been applied to the reporting of exploration results. Metal equivalent values have not been used.
Relationship between mineralisation widths and intercept lengths	<i>These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. 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>	Drilling has been vertical through a generally flat sand horizon. Drilling intervals are thus close to true thickness.
Diagrams	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	Relevant diagrams have been included within the document.
Balanced reporting	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	All relevant exploration results have been reported. The assaying of BHP drilling for base metals has not been included as it is not relevant to the silica sand project.
Other substantive exploration data	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	No other substantive exploration data is material or meaningful.
Further work	<i>The nature and scale of planned further work (eg tests for lateral extensions or large scale step out drilling. 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>	Allup Silica is proposing a significant drilling program to delineate the extent of the silica sand deposits. If successful, the drilling program will lead to Mineral Resource estimation and the commencement of mining studies. The drilling program will produce material for metallurgical test-work to provide processing routes for the production of high quality silica sand product. It will also provide material used in trial beneficiation processing analysis/testing to further identify the specification of the silica product after it has been processed.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code Explanation	Commentary
Database integrity	<p>Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.</p> <p>Data validation procedures used.</p>	The database has been inspected with no obvious errors discovered.
Site visits	<p>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.</p>	The competent person did not visit the site. A site visit was not deemed necessary.
Geological interpretation	<p>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</p> <p>Nature of the data used and of any assumptions made.</p> <p>The effect, if any, of alternative interpretations on Mineral Resource estimation.</p> <p>The use of geology in guiding and controlling Mineral Resource estimation.</p> <p>The factors affecting continuity both of grade and geology.</p>	<p>The geological interpretation was based on the drill hole database and information derived from independent geological reports. The geology interpretation is based on empirical data with no alternative interpretation deemed viable. The sand horizon is continuous from hole to hole. The wide spaced nature of the drilling precludes the estimation of different quality sand horizons. Some sand has higher clay contents and higher Fe2O3 content.</p>
Dimensions	<p>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</p>	<p>The modelled sand channel is approximately 3,000 long, 1,500m wide and about 20m thick. The sand lies at a depth from 0m to up to 25m vertical depth. Some drill holes ended in high grade silica sand.</p>
Estimation and modelling techniques	<p>The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domains, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.</p> <p>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</p> <p>The assumptions made regarding recovery of by-products.</p> <p>Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).</p> <p>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</p> <p>Any assumptions behind modelling of selective mining units.</p> <p>Any assumptions about correlation between variables.</p> <p>Description of how the geological interpretation was used to control the resource estimates.</p> <p>Discussion of basis for using or not using grade cutting or capping</p> <p>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</p>	<p>The sand channel was modelled in Vulcan v2020.2 software as a solid shape. Drillhole assay data was used to interpolate grades for SiO2, Fe2O3, Al2O3, TiO2 and LOI with inverse distance squared techniques. A two pass estimation was used with pass 1 using search dimensions of 200mX, 100mY, 6mZ. Pass 2 used 1,600mX, 1,000mY AND 30mZ to ensure all blocks were informed with grades. The search orientation was aligned at 330 to match the orientation of the modelled sand channel. The dip and plunge were aligned at 0 degrees, ie flat. The minimum number of 2m composites used was 2 and the maximum 25. No top cuts were applied based on data interrogation. Parent block size is 100mX, 200mY, 2mZ with sub-blocks of 20mX, 20mY, 2mZ</p> <p>No correlation between variables was assumed. A visual inspection on sections was done to validate the model.</p>

Moisture	<i>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</i>	The deposit was modelled using dry tonnes.
Cut-off parameters	<i>The basis of the adopted cut-off grade(s) or quality parameters applied.</i>	No cut-offs have been reported. With additional drilling resulting in improved delineation of sand units it may be possible to report the resource at economic cut-off grades. No mining factors or assumptions have been used in the model.
Mining factors or assumptions	<i>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.</i>	
Metallurgical factors or assumptions	<i>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.</i>	No metallurgical factors or assumptions have been used in the model.
Environmental factors or assumptions	<i>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.</i>	No environmental factors or assumptions have been used in the model.
Bulk density	<i>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.</i>	A bulk density of 1.6t per cubic meter have been applied to the model. No bulk density data is available from Unicup so this number has been used to represent unconsolidated fine to medium grained silica/quartz sand.
Classification	<i>The basis for the classification of the Mineral Resources into varying confidence categories. Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). Whether the result appropriately reflects the Competent Person's view of the deposit.</i>	The wide spaced drilling and the lack of empirical dry bulk density data has resulted in an Inferred classification for the Unicup Silica Sand Project.

Audits or reviews	<i>The results of any audits or reviews of Mineral Resource estimates</i>	No audits or reviews have been completed.
Discussion of relative accuracy/ confidence	<p><i>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.</i></p> <p><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 should include assumptions made and the procedures used.</i></p> <p><i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i></p>	The competent person agrees with the classification of the Unicup resource as Inferred. This reflects the confidence levels in the supporting data used to estimate the Mineral Resource. The resource relates to global estimates. There is no previous production data to compare the model.

Appendix 2: Drillhole details for Esperance Sands Pink Bark Tenement

Hole	Easting MGA94	Northing MGA94	RL	Depth	Dip	Azimuth	Company	Hole Type	Year Drilled
SGA0479	355528	6334997	243	6	-90	0	Triton Gold Ltd	AC	2010
SGA0480	355515	6335240	254	9	-90	0	Triton Gold Ltd	AC	2010
SGA0481	355500	6335494	256	2	-90	0	Triton Gold Ltd	AC	2010
SGA0482	355495	6334751	237	11	-90	0	Triton Gold Ltd	AC	2010
SGA0483	355495	6334499	239	16	-90	0	Triton Gold Ltd	AC	2010
SGA0484	355491	6334248	245	17	-90	0	Triton Gold Ltd	AC	2010
SGA0485	355494	6333996	238	27	-90	0	Triton Gold Ltd	AC	2010
SGA0486	355498	6333744	236	22	-90	0	Triton Gold Ltd	AC	2010
SGA0487	355497	6333503	236	20	-90	0	Triton Gold Ltd	AC	2010
SGA0488	355495	6333251	232	18	-90	0	Triton Gold Ltd	AC	2010
SGA0489	355495	6333001	232	7	-90	0	Triton Gold Ltd	AC	2010
SGA0490	355492	6332746	233	9	-90	0	Triton Gold Ltd	AC	2010
SGA0491	356496	6334995	240	22	-90	0	Triton Gold Ltd	AC	2010
SGA0492	356495	6335249	241	25	-90	0	Triton Gold Ltd	AC	2010
SGA0493	356498	6335497	246	8	-90	0	Triton Gold Ltd	AC	2010
SGA0494	357406	6335494	235	21	-90	0	Triton Gold Ltd	AC	2010
SGA0495	357406	6335255	240	20	-90	0	Triton Gold Ltd	AC	2010
SGA0496	359496	6334996	240	42	-90	0	Triton Gold Ltd	AC	2010
SGA0497	359493	6335246	250	44	-90	0	Triton Gold Ltd	AC	2010
SGA0498	359500	6335502	253	38	-90	0	Triton Gold Ltd	AC	2010
SGA0499	358497	6335498	240	20	-90	0	Triton Gold Ltd	AC	2010
SGA0500	358493	6335252	238	22	-90	0	Triton Gold Ltd	AC	2010
SGA0501	358493	6334998	236	40	-90	0	Triton Gold Ltd	AC	2010
SGA0502	357492	6335036	240	25	-90	0	Triton Gold Ltd	AC	2010
SGA0503	357492	6334747	240	20	-90	0	Triton Gold Ltd	AC	2010

Hole	Easting MGA94	Northing MGA94	RL	Depth	Dip	Azimuth	Company	Hole Type	Year Drilled
SGA0504	357488	6334497	234	23	-90	0	Triton Gold Ltd	AC	2010
SGA0505	357495	6334251	233	20	-90	0	Triton Gold Ltd	AC	2010
SGA0506	357498	6334004	234	20	-90	0	Triton Gold Ltd	AC	2010
SGA0507	357491	6333754	233	29	-90	0	Triton Gold Ltd	AC	2010
SGA0508	357495	6333505	237	43	-90	0	Triton Gold Ltd	AC	2010
SGA0509	357512	6333252	233	43	-90	0	Triton Gold Ltd	AC	2010
SGA0510	357513	6333019	242	36	-90	0	Triton Gold Ltd	AC	2010
SGA0511	355488	6339493	258	30	-90	0	Triton Gold Ltd	AC	2010
SGA0512	355484	6339246	256	34	-90	0	Triton Gold Ltd	AC	2010
SGA0513	355492	6338970	259	34	-90	0	Triton Gold Ltd	AC	2010
SGA0514	355493	6338749	258	35	-90	0	Triton Gold Ltd	AC	2010
SGA0515	355492	6338498	259	30	-90	0	Triton Gold Ltd	AC	2010
SGA0516	355488	6338254	262	24	-90	0	Triton Gold Ltd	AC	2010
SGA0517	355487	6338004	262	18	-90	0	Triton Gold Ltd	AC	2010
SGA0518	355491	6337752	258	15	-90	0	Triton Gold Ltd	AC	2010
SGA0519	355494	6337545	257	20	-90	0	Triton Gold Ltd	AC	2010
SGA0520	355489	6337246	260	20	-90	0	Triton Gold Ltd	AC	2010
SGA0521	355492	6336997	262	22	-90	0	Triton Gold Ltd	AC	2010
SGA0522	355493	6336749	265	19	-90	0	Triton Gold Ltd	AC	2010
SGA0523	355491	6336494	263	12	-90	0	Triton Gold Ltd	AC	2010
SGA0524	355491	6336247	260	27	-90	0	Triton Gold Ltd	AC	2010
SGA0525	355492	6335997	258	18	-90	0	Triton Gold Ltd	AC	2010
SGA0526	355486	6335753	248	3	-90	0	Triton Gold Ltd	AC	2010
SGA0527	356491	6335749	249	17	-90	0	Triton Gold Ltd	AC	2010
SGA0528	356451	6335999	252	19	-90	0	Triton Gold Ltd	AC	2010
SGA0529	356431	6336251	258	19	-90	0	Triton Gold Ltd	AC	2010
SGA0530	356414	6336499	258	14	-90	0	Triton Gold Ltd	AC	2010
SGA0531	356407	6336759	259	6	-90	0	Triton Gold Ltd	AC	2010
SGA0532	356493	6336999	262	24	-90	0	Triton Gold Ltd	AC	2010
SGA0533	356495	6337253	263	12	-90	0	Triton Gold Ltd	AC	2010
SGA0534	356496	6337496	263	16	-90	0	Triton Gold Ltd	AC	2010
SGA0535	356494	6337746	265	22	-90	0	Triton Gold Ltd	AC	2010
SGA0536	356493	6338000	261	21	-90	0	Triton Gold Ltd	AC	2010
SGA0537	356493	6338257	265	21	-90	0	Triton Gold Ltd	AC	2010
SGA0538	356494	6338500	265	21	-90	0	Triton Gold Ltd	AC	2010
SGA0539	356492	6338748	262	21	-90	0	Triton Gold Ltd	AC	2010
SGA0540	356490	6339003	261	17	-90	0	Triton Gold Ltd	AC	2010
SGA0541	356494	6339252	260	22	-90	0	Triton Gold Ltd	AC	2010
SGA0542	356492	6339498	260	27	-90	0	Triton Gold Ltd	AC	2010
SGA0543	357386	6338990	262	21	-90	0	Triton Gold Ltd	AC	2010
SGA0544	357379	6338745	258	20	-90	0	Triton Gold Ltd	AC	2010
SGA0545	357376	6338500	259	23	-90	0	Triton Gold Ltd	AC	2010
SGA0546	357376	6338246	264	30	-90	0	Triton Gold Ltd	AC	2010
SGA0547	357369	6338009	268	14	-90	0	Triton Gold Ltd	AC	2010

Hole	Easting MGA94	Northing MGA94	RL	Depth	Dip	Azimuth	Company	Hole Type	Year Drilled
SGA0548	357364	6337751	268	3	-90	0	Triton Gold Ltd	AC	2010
SGA0549	357363	6337502	265	17	-90	0	Triton Gold Ltd	AC	2010
SGA0550	357473	6337253	263	3	-90	0	Triton Gold Ltd	AC	2010
SGA0551	357493	6337012	260	14	-90	0	Triton Gold Ltd	AC	2010
SGA0552	357477	6336766	254	4	-90	0	Triton Gold Ltd	AC	2010
SGA0553	357485	6336504	253	4	-90	0	Triton Gold Ltd	AC	2010
SGA0554	357485	6336258	253	16	-90	0	Triton Gold Ltd	AC	2010
SGA0555	357491	6336008	246	14	-90	0	Triton Gold Ltd	AC	2010
SGA0556	357491	6335749	242	26	-90	0	Triton Gold Ltd	AC	2010
SGA0557	358524	6335757	242	17	-90	0	Triton Gold Ltd	AC	2010
SGA0558	358524	6336004	246	22	-90	0	Triton Gold Ltd	AC	2010
SGA0559	358517	6336255	250	19	-90	0	Triton Gold Ltd	AC	2010
SGA0560	358515	6336501	253	17	-90	0	Triton Gold Ltd	AC	2010
SGA0561	358513	6336768	252	10	-90	0	Triton Gold Ltd	AC	2010
SGA0562	358500	6337046	259	16	-90	0	Triton Gold Ltd	AC	2010
SGA0563	358500	6337256	258	21	-90	0	Triton Gold Ltd	AC	2010
SGA0564	358492	6337498	261	19	-90	0	Triton Gold Ltd	AC	2010
SGA0565	358481	6337742	236	26	-90	0	Triton Gold Ltd	AC	2010
SGA0566	358485	6337999	268	27	-90	0	Triton Gold Ltd	AC	2010
SGA0567	358398	6338240	259	28	-90	0	Triton Gold Ltd	AC	2010
SGA0568	358396	6338501	266	22	-90	0	Triton Gold Ltd	AC	2010
SGA0569	358400	6338748	263	38	-90	0	Triton Gold Ltd	AC	2010
SGA0570	358401	6339007	263	35	-90	0	Triton Gold Ltd	AC	2010
SGA0571	359494	6339006	264	25	-90	0	Triton Gold Ltd	AC	2010
SGA0572	359491	6338749	269	21	-90	0	Triton Gold Ltd	AC	2010
SGA0573	359590	6338503	266	34	-90	0	Triton Gold Ltd	AC	2010
SGA0574	359595	6338259	268	27	-90	0	Triton Gold Ltd	AC	2010
SGA0575	359509	6338004	267	22	-90	0	Triton Gold Ltd	AC	2010
SGA0576	359503	6337755	264	23	-90	0	Triton Gold Ltd	AC	2010
SGA0577	359506	6337494	261	17	-90	0	Triton Gold Ltd	AC	2010
SGA0578	359509	6337252	261	19	-90	0	Triton Gold Ltd	AC	2010
SGA0579	359504	6337003	254	18	-90	0	Triton Gold Ltd	AC	2010
SGA0580	359502	6336763	252	22	-90	0	Triton Gold Ltd	AC	2010
SGA0581	359494	6336512	244	30	-90	0	Triton Gold Ltd	AC	2010
SGA0582	359487	6336258	254	42	-90	0	Triton Gold Ltd	AC	2010
SGA0583	359490	6336001	256	36	-90	0	Triton Gold Ltd	AC	2010
SGA0584	359496	6335749	254	54	-90	0	Triton Gold Ltd	AC	2010
SGA0585	356493	6341746	258	7	-90	0	Triton Gold Ltd	AC	2010

Appendix 3: Assay Results for Unicup Air-core Drilling

Hole ID	From	To	SiO ₂ %	Al ₂ O ₃ %	Fe ₂ O ₃ %	TiO ₂ %	LOI ₁₀₀₀ %	Geology
UAC005	0	1	96.05	0.17	0.77	0.287	2.09	surface sand
UAC005	1	2	75.32	4.45	14.96	0.336	4.54	laterite sand
UAC005	2	3	82.09	3.1	10.96	0.281	3.2	laterite sand
UAC005	3	4	94.07	2.75	0.59	0.522	1.38	clay/sand
UAC005	4	5	89.29	6.29	0.59	0.665	2.7	clay/sand
UAC005	5	6	89.9	5.81	0.69	0.592	2.52	clay/sand
UAC005	6	7	90.78	5.64	0.39	0.522	2.26	clay/sand
UAC005	7	8	90.72	5.57	0.4	0.616	2.22	clay/sand
UAC005	8	9	97.08	1.45	0.12	0.187	0.62	clay/sand
UAC005	9	10	91.35	4.87	0.43	0.737	2.02	clay/sand
UAC005	10	11	92.09	4.12	0.5	0.992	1.84	clean sand
UAC005	11	12	92.85	3.57	0.46	0.925	1.56	clean sand
UAC005	12	13	95.14	2.56	0.29	0.499	1.11	clean sand
UAC005	13	14	94.59	2.78	0.3	0.514	1.22	clean sand
UAC005	14	15	97.48	1.14	0.15	0.228	0.55	clean sand
UAC005	15	16	95.69	1.94	0.43	0.412	0.94	clean sand
UAC005	16	17	95.66	1.88	0.44	0.344	1	clean sand
UAC005	17	18	96	1.93	0.31	0.315	0.87	clean sand
UAC005	18	19	96.46	1.7	0.2	0.238	0.78	clean sand
UAC005	19	20	97.66	0.95	0.16	0.168	0.46	clean sand
UAC005	20	21	96.88	1.36	0.28	0.317	0.68	clean sand
UAC005	21	22	98.07	0.7	0.13	0.172	0.39	clean sand
UAC005	22	23	65.88	6.79	3.49	0.484	17.75	clean sand
UAC005	23	24	90.33	2.37	2.19	0.374	4.18	lignite
UAC006	0	2	86.43	1.73	9.05	0.287	2.21	brown sand
UAC006	2	4	87.53	4.48	3.28	0.422	3.8	clay/sand
UAC006	4	6	93.39	3.52	0.37	0.335	1.61	clay/sand
UAC006	6	8	94.15	3.08	0.34	0.354	1.42	clean sand
UAC006	8	10	93.27	3.59	0.45	0.66	1.56	clean sand
UAC006	10	12	95.1	2.22	0.35	0.646	1	clean sand
UAC006	12	14	96.44	1.48	0.32	0.41	0.68	clean sand
UAC006	14	16	96.41	1.62	0.28	0.3	0.74	clean sand
UAC006	16	18	97.09	1.38	0.21	0.203	0.68	clean sand
UAC006	18	19	97.96	0.8	0.17	0.077	0.43	clay/sand
UAC007	0	2	81.55	2.77	11.47	0.463	3.4	qtz sand
UAC007	2	4	68.65	18.96	1.59	2.582	7.2	clay/sand
UAC007	4	6	98.66	0.49	0.13	0.212	0.28	clean sand
UAC007	6	8	98.84	0.37	0.07	0.124	0.31	clean sand
UAC007	8	10	98.62	0.42	0.12	0.174	0.33	clean sand
UAC007	10	12	98.5	0.4	0.11	0.161	0.32	clean sand
UAC007	12	14	98.15	0.8	0.12	0.104	0.48	clean sand
UAC007	14	16	94.72	2.42	0.29	0.265	1.63	clean sand
UAC007	16	18	61.49	8.24	4.06	0.714	24.75	brown clay
UAC008	0	2	65.58	9.08	16.34	0.589	8.05	sandy soil

Hole ID	From	To	SiO ₂ %	Al ₂ O ₃ %	Fe ₂ O ₃ %	TiO ₂ %	LOI ₁₀₀₀ %	Geology
UAC008	2	4	88.86	6.36	0.59	0.595	3.1	sandy soil
UAC008	4	6	98.46	0.53	0.1	0.205	0.37	clay/sand
UAC008	6	8	97.89	0.79	0.16	0.268	0.56	clay/sand
UAC008	8	10	98.9	0.38	0.08	0.225	0.29	clay/sand
UAC008	10	12	97.01	1.26	0.13	0.321	0.56	clay/sand
UAC008	12	14	96.48	1.56	0.21	0.441	0.77	clay/sand
UAC008	14	16	97.08	1.26	0.21	0.421	0.73	clay/sand
UAC008	16	18	95.37	1.6	0.54	0.322	1.2	clean sand
UAC008	18	20	97.63	0.57	0.18	0.125	0.87	brown clay
UAC009	0	2	92.4	0.99	3.89	0.32	2.13	brown sand
UAC009	2	4	71.9	5.53	17.39	0.286	4.61	brown sand
UAC009	4	6	68.91	20.25	1.05	1.573	7.47	clay/sand
UAC009	6	8	52.5	30.28	1.35	2.495	12.22	clay/sand
UAC009	8	10	92.45	3.52	0.57	1.322	1.59	clean sand
UAC009	10	12	94.15	2.56	0.54	0.99	1.28	clean sand
UAC009	12	14	94	2.44	0.54	1.353	1.08	clean sand
UAC009	14	16	94.2	2.61	0.55	0.922	1.22	clean sand
UAC010	0	2	78.15	5.99	10.45	0.35	4.81	brown sand
UAC010	2	4	67.16	20	2.93	1.584	7.58	brown sand
UAC010	4	6	71.45	17.43	1.14	2.431	6.53	clay
UAC010	6	8	91.96	3.96	0.58	1.434	1.6	clean sand
UAC010	8	10	97.62	0.87	0.21	0.524	0.44	clean sand
UAC010	10	12	98.75	0.41	0.11	0.265	0.21	clean sand
UAC010	12	14	98.37	0.46	0.2	0.324	0.27	clean sand
UAC010	14	16	98.4	0.59	0.15	0.272	0.32	clean sand
UAC010	16	18	97.47	0.82	0.18	0.235	0.56	sandy/clay
UAC010	18	20	97.58	0.74	0.26	0.216	0.59	sandy/clay
UAC010	20	22	98.06	0.63	0.18	0.116	0.44	sandy/clay
UAC010	22	23	97.71	0.77	0.28	0.165	0.54	sandy/clay
UAC011	0	2	69.88	8.92	13.42	0.761	6.53	brown sand
UAC011	2	4	75.36	15.28	1.34	1.365	5.86	clay
UAC011	4	6	85.12	9.13	0.74	0.93	3.62	clay
UAC011	6	8	97.82	0.99	0.15	0.283	0.48	clean sand
UAC011	8	10	98.84	0.39	0.13	0.172	0.25	clean sand
UAC011	10	12	98.52	0.46	0.2	0.228	0.3	clean sand
UAC011	12	14	98.31	0.51	0.23	0.363	0.27	clean sand
UAC011	14	16	96.83	1.05	0.46	0.849	0.5	clean sand
UAC011	16	18	96.96	0.59	0.55	0.591	0.46	clean sand
UAC011	18	21	90.6	0.93	2.22	1.45	1.49	clean sand
UAC012	0	2	84.66	2.2	9.81	0.339	2.73	brown sand
UAC012	2	4	95.46	1.62	0.74	0.495	1.04	brown sand
UAC012	4	6	88.81	5.53	1.12	0.919	2.63	sandy/clay
UAC012	6	8	92.48	4.04	0.54	0.548	1.8	sandy/clay
UAC012	8	10	93.7	2.9	0.63	0.658	1.39	sandy/clay
UAC012	10	12	98.47	0.68	0.09	0.14	0.35	clean sand
UAC012	12	14	98.23	0.83	0.1	0.177	0.4	clean sand

Hole ID	From	To	SiO ₂ %	Al ₂ O ₃ %	Fe ₂ O ₃ %	TiO ₂ %	LOI ₁₀₀₀ %	Geology
UAC012	14	16	97.88	0.89	0.22	0.298	0.37	clean sand
UAC012	16	18	96.48	0.67	0.62	0.332	0.72	brown sand
UAC013	0	2	76.39	6.45	11.9	0.256	4.6	sandy soil
UAC013	2	4	86.5	7.85	0.93	0.487	3.7	clay/sand
UAC013	4	6	75.62	15.08	1.05	1.932	5.52	sandy/clay
UAC013	6	8	96.17	1.76	0.37	0.533	0.84	clean sand
UAC013	8	10	97.05	1.23	0.26	0.663	0.53	clean sand
UAC013	10	12	97.9	0.89	0.14	0.369	0.35	clean sand
UAC013	12	14	96.85	1.48	0.23	0.508	0.63	clean sand
UAC013	14	16	96.22	1.88	0.22	0.513	0.76	clean sand
UAC013	16	18	98.4	0.54	0.19	0.098	0.33	clean sand
UAC013	18	21	75.93	9.02	0.86	0.698	11.54	clay/sand
UAC014	0	2	67.39	9.72	15.32	0.588	6.35	gravel /clay
UAC014	2	4	83.74	8.53	1.63	1.762	3.67	clay/sand
UAC014	4	6	85.76	7.02	1.34	2.461	2.82	sandy/clay
UAC014	6	8	96.36	1.61	0.4	0.554	0.74	clean sand
UAC014	8	10	97.49	1.11	0.17	0.48	0.46	clean sand
UAC014	10	13	98.4	0.65	0.11	0.248	0.33	clean sand
UAC015	0	2	59.56	7.44	25.73	0.424	6.35	sandy soil
UAC015	2	4	85.03	8.6	0.96	1.631	3.37	clay/sand
UAC015	4	6	83.8	9.09	0.89	2.138	3.54	clay/sand
UAC015	6	8	92.22	2.89	0.81	2.138	1.31	clay/sand
UAC015	8	10	93.32	2.02	0.73	1.695	1.19	clean sand
UAC015	10	12	93.17	2.06	0.89	2.479	0.89	clean sand
UAC016	0	2	69.2	9.03	14.03	0.585	6.74	sandy soil
UAC016	2	4	88.4	7.3	0.62	0.566	2.86	clay
UAC016	4	6	95.56	2.49	0.24	0.359	1.04	clean sand
UAC016	6	8	98.03	0.97	0.13	0.227	0.42	clean sand
UAC016	8	10	96.79	1.74	0.15	0.296	0.73	clean sand
UAC016	10	12	95.93	2.1	0.26	0.51	0.89	clean sand
UAC016	12	14	97.95	0.85	0.18	0.312	0.38	clean sand
UAC016	14	16	97.83	0.94	0.18	0.344	0.45	clean sand
UAC016	16	18	89.09	0.86	2.72	1.492	1.71	clean sand
UAC016	18	20	96.17	1.1	0.51	0.355	0.9	lignite
UAC016	20	22	92.96	1.53	1.19	0.619	1.8	lignite/sand
UAC016	22	23	93.69	1.33	1.13	0.282	1.58	lignite/sand
UAC017	0	2	72.92	2.92	18.89	0.518	4.2	brown soil
UAC017	2	4	90.62	5.4	0.77	0.515	2.24	brown sand
UAC017	4	6	91.08	4.11	1.89	0.387	2	clay/sand
UAC017	6	8	93.05	4.15	0.35	0.343	1.74	clay/sand
UAC017	8	10	96.53	1.66	0.29	0.267	0.79	clean sand
UAC017	10	12	97.13	1.3	0.17	0.191	0.68	clean sand
UAC017	12	14	97.72	0.56	0.2	0.218	0.47	clean sand
UAC017	14	16	98.17	0.64	0.18	0.244	0.4	clean sand
UAC017	16	18	94.47	0.92	1.11	0.324	1.14	lignite/sand
UAC017	18	21	97.92	0.5	0.26	0.14	0.53	lignite/sand

Hole ID	From	To	SiO ₂ %	Al ₂ O ₃ %	Fe ₂ O ₃ %	TiO ₂ %	LOI ₁₀₀₀ %	Geology
UAC018	0	2	67.9	2.32	24.79	0.371	4.26	sandy soil
UAC018	2	4	90.14	5.27	1.32	0.563	2.36	clean sand
UAC018	4	6	93.69	3.73	0.39	0.308	1.58	clean sand
UAC018	6	8	97.36	1.45	0.12	0.102	0.69	clean sand
UAC018	8	10	97.47	1.24	0.19	0.138	0.67	clean sand
UAC018	10	12	97.79	0.91	0.19	0.187	0.49	clean sand
UAC018	12	14	98.24	0.75	0.15	0.164	0.38	clean sand
UAC018	14	15	97.95	0.72	0.13	0.193	0.35	clean sand

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MINING TENEMENT REPORT

30 November 2021

The Directors
Allup Silica Limited
18 Kings Park Road
West Perth WA 6005

Dear Sirs

Allup Silica Limited – Solicitor’s Report on Mining Tenements and Native Title

This report (**Report**) has been prepared for due diligence purposes in relation to a prospectus (**Prospectus**) to be issued by Allup Silica Limited (ACN 163 173 224) (**Company**) for an initial public offering of 25,000,000 shares at an issue price of \$0.20 per share to raise a total of \$5,000,000 (before costs) (**IPO**).

We have been requested to report on eight (8) granted exploration licences and four (4) applications for exploration licence applications in Western Australia comprising the South-West Silica Project, Argyle Silica Project and Esperance Silica Project (together, the **Projects**) in which the Company owns a 100% beneficial interest (**Tenements**). Details of the Tenements are set out in the Schedule and Notes to this Report. The Schedule together with the Notes to the Schedule form part of this Report.

This Report covers:

- (a) Details of searches made in respect of the Tenements.
- (b) Qualifications and Assumptions.
- (c) General information about mining tenements in Western Australia.
- (d) Overview of native title and cultural heritage issues relevant to the Tenements in Western Australia.
- (e) Aboriginal Heritage.
- (f) Details of the Tenements as set out in the Schedule.

Opinion

1. As a result of our searches and enquiries, subject to the assumptions, qualifications and exceptions set out in this Report, we are of the opinion that:
 - (a) the information included in this Report is an accurate statement as to the status of the Tenements and the details of the registered holders as at 23 November 2021;
 - (b) all applicable rents and other fees due under the *Mining Act 1978 (WA)* (**Mining Act**) in respect of the Tenements have been paid;

- (c) all expenditure requirements under the Mining Act in respect of the Tenements have been complied with;
- (d) the Company's rights to explore the Tenements are subject to various conditions imposed by the Department of Mines, Industry Regulation and Safety (**DMIRS**). The key conditions imposed by DMIRS in relation to each Tenement are noted in the Schedule; and
- (e) all applications for determination of native title which affect the Tenements are noted in this Report and the Schedule.

South-West Silica Project - Key Highlights

- 2. The South-West Silica Project comprises five (5) exploration licences E70/5447, E70/5527, E70/5682, E70/5745 and E70/5920 (the **South-West Granted Licences**) and one (1) application for exploration licence E70/5455 (collectively, the **South-West Project Tenements**).
- 3. The key highlights are as follows:
 - (a) The South-West Granted Licences are all in good standing. These Tenements expire on various dates between 2025 and 2026. The Minister may extend the term of these Tenements for a further period of five years, then a further period or periods of two years.
 - (b) The South-West Granted Licences were granted between 14 December 2020 and 17 November 2021, therefore minimum expenditure requirements for 2021 and 2022 will become due on various dates between 14 December 2021 and 17 November 2022.
 - (c) The objection closing date for E70/5455 (application) was 19 June 2020. The Searches confirm that no objections have been received to date.
 - (d) There are no performance bonds against any of the South-West Granted Licences.
 - (e) There are three registered Aboriginal heritage sites affecting E70/5447 (Registered Aboriginal Sites 5733, 5784 and 5785). The consent of the DAA Minister is required before engaging in any activity that may interfere with these sites. The Company has advised that the areas affected by these sites are not currently considered prospective and it is not currently expected that any exploration will be conducted within these areas. Refer to Paragraphs 30 to 36 for further details.
 - (f) There are three Native Title claims which affect the South-West Project Tenements as follows:
 - i. 100% of the area covered by E70/5455 (application), E70/5447, E70/5527 and E70/5920 is affected by Native Title claim made by the Wagyl Kaip People (NNTT number WC1998/070, Federal Court number WAD6286/1998).
 - ii. 100% of the area covered by E70/5447, E70/5527 and E70/5920 is affected by Native Title claim made by the Southern Noongar People (NNTT number WC1996/109, Federal Court number WAD6134/1998).

- iii. 100% of the area covered by E70/5682 and E70/5745 is affected by Native Title claim made by the South-West Boojarah People (NNTT number WC2006/004, Federal Court number WAD253/2006).

The above claims have not been determined as at the date of this Report. No objection was lodged by a Native Title claimant in respect of E70/5455, so the State may proceed to grant the Tenement in accordance with the Mining Act procedures. Refer to Paragraphs 13 to 22 for further details.

- (g) Two Indigenous Land Use Agreements (ILUAs) affect the South-West Project Tenements as follows:

- i. Wagyl Kaip & Southern Noongar People ILUA in respect of E70/5447, E70/5527, E70/5920 and E70/5455 (application).
- ii. South West Boojarah People ILUA in respect of E70/5682 and E70/5745.

Refer to Paragraphs 23 to 29 for further details.

- (h) A number of Aboriginal heritage agreements have been entered into with the South-West Aboriginal Land & Sea Council Aboriginal Corporation which affect E70/5682, E70/5745, E70/5447, E70/5527 and E70/5455 (application). We have reviewed a copy of these Aboriginal heritage agreements and confirm they are on relatively standard terms for agreements of this nature. Refer to Paragraphs 30 to 45 for further details.

- (i) The South-West Silica Project Tenements overlap with:

- i. various road reserves;
- ii. other heritage places;
- iii. State forest, Crown reserves (including national parks, conservation areas, agricultural research stations, recreation areas and proposed nature reserves) and other environmentally sensitive areas; and
- iv. File notation areas relevant to the Department of Lands, Department of Parks and Wildlife, Department of Planning, Lands & Heritage and the Department of Environment & Conservation.

These encroachments may restrict the Company's access to the affected areas for the conduct of exploration or mining activities, either absolutely or without the consent of the applicable stakeholder(s). Further, the granted South-West Silica Project Tenements which encroach on these areas are subject to endorsements and conditions restricting certain activities without applicable approvals, licences or consents. Any South-West Silica Project Tenements which are applications are likely to be subject to the same or similar endorsements and conditions upon grant. The Company has advised that the priority areas for current or future mining or exploration work on the affected Tenements are largely located outside of the areas affected by the above encroachments. To the extent the Company plans to conduct activities with the affected areas, the Company has obtained or will apply for the consents and approvals required for its proposed activities. Refer to Paragraphs 46 to 96 for further details.

- (j) The South-West Silica Tenements also overlap with private freehold land. Compensation and access agreements have been entered into with various private land owners in respect of E70/5447, E70/5527, E70/5682 and E70/5745. The Company has advised these compensation and access agreements cover the key locations in which the Company's current or future mining or exploration work is planned on the affected Tenements. We have reviewed a copy of these compensation and access agreements and confirm they are on relatively standard terms for agreements of this nature. Refer to Paragraphs 46 to 54 for further details.

Argyle Silica Project - Key Highlights

4. The Argyle Silica Project comprises one (1) exploration licence E80/5524 and two (2) applications for exploration licences E80/5629 and E80/5652 (collectively, the **Argyle Project Tenements**).
5. The key highlights are as follows:
 - (a) The registered holder of E80/5524 is Pathfinder Exploration Pty Ltd and Norvale Pty Ltd. The Company entered into the Sale Agreement to acquire this tenement, which completed on 19 November 2021. A transfer in registrable form in respect of E80/5524 has been executed and lodged with the DMP, and stamp duty has been assessed on the transfer. The transfer is pending processing, which is expected to be completed shortly. Refer to Paragraphs 97 and 98 for further details.
 - (b) E80/5524 is in good standing and expires on 25 August 2026. The Minister may extend this term for a further period of 5 years, then a further period or periods of 2 years.
 - (c) E80/5524 was granted on 26 August 2021, therefore the minimum expenditure requirement for 2022 will become due on 25 August 2022.
 - (d) The objection closing date for E80/5629 and E80/5652 was on 21 June 2021 and 4 August 2021 respectively. The only objection received to date on these Tenements affected E80/5629 and was lodged by Sandalwood Properties Ltd. The Company has advised that the small area the subject of this objection has been excised from the application. The Company also advised that a minute of programming directions signed by the Company and the solicitors for Sandalwood Properties Ltd withdrawing the objection has been lodged with the Warden and the Company expects the Warden to make directions reflecting the same shortly.
 - (e) There are no performance bonds against any of the Argyle Project Tenements.
 - (f) There are two registered Aboriginal heritage sites affecting application E80/5629 (Registered Aboriginal Sites 12983 and 15152). The consent of the DAA Minister is required before engaging in any activity that may interfere with these sites. The Company has advised that the areas affected by the above sites are not currently considered prospective and it is not currently expected that any exploration will be conducted within these areas once the Tenement is granted. Refer to Paragraphs 30 to 36 for further details.

- (g) There are three determined Native Title Claims which affect the Argyle Project Tenements as follows:
- i. 100% of the area covered by E80/5629 (application) and E80/5524 is affected by determined Native Title Claim made by the Yurriyangem Taam People (NNTT number WCD2019/006, Federal Court number WAD44/2019).
 - ii. 96.3% of the area covered by E80/5652 (application) is affected by determined Native Title Claim made by the Miruiwung and Gajerrong People (NNTT number WCD2006/002, Federal Court number WAD124/2004).
 - iii. 3.38% of the area covered by E80/5652 (application) is affected by determined Native Title Claim made by the Miruiwung and Gajerrong People (NNTT number WCD2003/001, Federal Court number WAD6001/1995).

The Native Title rights determined are non-exclusive. Refer to Paragraphs 13 to 22 for further details.

- (h) One ILUA has been entered into with the Kimberly Land Council Aboriginal Corporation which affects E80/5652. Refer to Paragraphs 23 to 29 for further details.
- (i) Three pastoral leases affect the Argyle Project Tenements as follows:
- i. E80/5629 (application) overlaps with the Doon Pastoral Lease (PL N049571) (25.84%) and the Glen Hill Pastoral Lease (PL N050034) (56.1%).
 - ii. E80/5652 (application) overlaps with the Ivanhoe Pastoral Lease (PN N050034) (95.86%).
 - iii. E80/5524 overlaps with the Glen Hill – Aboriginal Corporation Pastoral Lease (PL N049794) (100%).

Compensation is not payable under the Mining Act to a pastoral lessee for deprivation of the possession of the land the subject of the pastoral lease. However, compensation is payable under the Mining Act to a pastoral lessee for any damage to improvements on the land caused by the tenement holder and for any substantial loss of earnings suffered by the pastoral lessee resulting from mining by the tenement holder. It is not necessary to conclude an agreement with a pastoral lessee as to compensation before a mining tenement application can be granted. However, it is not uncommon for tenement holders and pastoral lessees to enter into such agreements. Refer to Paragraphs 55 to 59 for further details.

- (j) The Argyle Project Tenements overlap with:
- i. various road reserves;
 - ii. other heritage places;
 - iii. two Crown general leases (K954892 and L387707);
 - iv. Crown reserves (including national parks, conservation areas, agricultural research stations, recreation areas and proposed nature reserves) and other environmentally sensitive areas; and

- v. file notation areas relevant to Department of Regional Development and Lands, Department of Planning, Lands & Heritage, Department of Lands, Department for Planning & Infrastructure, Department of Primary Industries & Regional Development and the Department of Industry & Resources.

These encroachments may restrict the Company's access to the affected areas for the conduct of exploration or mining activities, either absolutely or without the consent of the applicable stakeholder(s). Further, the granted Argyle Project Tenements which encroach on these areas are subject to endorsements and conditions restricting certain activities without applicable approvals, licences or consents. Any Argyle Project Tenements which are applications are likely to be subject to the same or similar endorsements and conditions upon grant. The Company has advised that the priority areas for current or future mining or exploration work on the affected Tenements are largely located outside of the areas affected by the above encroachments. To the extent the Company plans to conduct activities with the affected areas, the Company has obtained or will apply for the consents and approvals required for its proposed activities. Refer to Paragraphs 46 to 96 for further details.

- (k) The Argyle Project Tenements also overlap with certain private freehold land. No compensation and access agreements have been entered into by the Company with affected private land owners to date. The Company has advised that the affected areas are not currently considered prospective and it is not currently expected that any exploration will be conducted on such private land. Refer to Paragraphs 46 to 54 for further details.

Esperance Silica Project - Key Highlights

- 6. The Esperance Silica Project comprises two (2) exploration licences E63/2137 and E63/2139 (the **Esperance Granted Licences**) and one (1) application for exploration licence E63/2138 (collectively, the **Esperance Project Tenements**)
- 7. The key highlights are as follows:
 - (a) The Esperance Granted Licences are all in good standing. These Tenements expire on various dates in 2026. The Minister may extend the term of these Tenements for a further period of 5 years, then a further period or periods of 2 years.
 - (b) The Esperance Granted Licences were granted on 26 October 2021 and 3 November 2021, therefore minimum expenditure requirements for 2022 will become due on 26 October 2022 and 3 November 2022 respectively.
 - (c) The objection closing date for E63/2138 (application) was 7 October 2021. The Searches confirm that no objections have been received to date.
 - (d) There are no performance bonds against any of the Esperance Granted Licences.
 - (e) One registered Aboriginal heritage site affects E63/2139 (Registered Aboriginal Site 1981). The consent of the DAA Minister is required before engaging in any activity that may interfere with this site. The Company has advised that the area affected by this site is not currently considered prospective and it is not currently expected that any exploration will be conducted in this area. Refer to Paragraphs 30 to 36 for further details.

- (f) The Esperance Nyungars determined Native Title Claim (NNTT number WCD2014/002, Federal Court number WAD6097/1998) affects 100% of the area covered by the Esperance Project Tenements. The Native Title rights determined are non-exclusive. Refer to Paragraphs 13 to 22 for further details.
- (g) One ILUA has been entered into with the Esperance Nyungar Government which affects all Esperance Project Tenements. Refer to Paragraphs 23 to 29 for further details.
- (h) The Esperance Project Tenements also overlap with:
 - i. various road reserves;
 - ii. Crown reserves (including conservation and flora reserves and proposed national parks) and other environmentally sensitive areas; and
 - iii. file notation areas relevant to Department of Biodiversity, Conservation and Attractions, Department of Planning, Lands & Heritage and the Department of Mines, Industry Regulation and Safety.

These encroachments may restrict the Company's access to the affected areas for the conduct of exploration or mining activities, either absolutely or without the consent of the applicable stakeholder(s). Further, the granted Esperance Project Tenements which encroach on these areas are subject to endorsements and conditions restricting certain activities without applicable approvals, licences or consents. Any Esperance Project Tenements which are applications are likely to be subject to the same or similar endorsements and conditions upon grant. The Company has advised that the priority areas for current or future mining or exploration work on the affected Tenements are largely located outside of the areas affected by the above encroachments. To the extent the Company plans to conduct activities with the affected areas, the Company has obtained or will apply for the consents and approvals required for its proposed activities. Refer to Paragraphs 46 to 96 for further details.

- (i) The Esperance Project Tenements also overlap with various private freehold land. No compensation and access agreements have been entered into by the Company with affected private land owners to date. The Company has advised that the affected areas are not currently considered prospective and it is not currently expected that any exploration will be conducted on such private land. If geological understanding changes and exploration is warranted within this private land, the Company will seek to negotiate compensation and access agreements with the applicable owners. Refer to Paragraphs 46 to 54 for further details.

Searches

8. For the purposes of this Report we have conducted the following searches in respect of the Tenements:

- (a) Title searches

Searches of the register maintained by DMIRS pursuant to the Mining Act for the Tenements dated 23 November 2021.

'Quick Appraisal' Tengraph on-line searches obtained from DMIRS for the Tenements dated 23 November 2021.

- (b) Native title searches

Searches of the Register of Native Title Claims (**RNTC**) maintained by the National Native Title Tribunal (**NNTT**) in respect of native title claims, determinations and registered Indigenous Land Use Agreements affecting the Tenements on 23 November 2021.

Reviewed online information at www.nntt.gov.au derived from the Register of Indigenous Land Use Agreements maintained by the NNTT under the *Native Title Act 1993* (Cth) (**NTA**).

- (c) Aboriginal heritage searches

Searches of the online register of Aboriginal heritage sites and other heritage sites maintained by the Department of Planning, Lands and Heritage (**DPLH**) in Western Australia to search for any Aboriginal sites on that register established under the *Aboriginal Heritage Act 1972* (WA) dated 23 November 2021.

Qualifications and Assumptions

9. This Report is based on, and subject to, the following assumptions and qualifications:

- (a) We have relied upon information provided by third parties, including various government departments, in response to searches made, or caused to be made, and enquiries by us and have relied upon that information, including the results of searches, being accurate, current and complete as at the date of its receipt by us.
- (b) We have relied upon details of agreements which have been disclosed by the Company. Those details may not have been fully or accurately disclosed and there may be other agreements of which we are not aware that may materially affect the information in this Report.
- (c) References in the Schedule are taken from details shown on the searches we have obtained from the relevant departments referred to in the Searches section above. We have not undertaken independent surveys of the land the subject of the Tenements to verify the accuracy of Tenement areas or the areas of the relevant native title claims.

- (d) Statements made in respect of the standing of the Tenements are based only on the information contained in the relevant search on the instrument of title for the Tenements.
- (e) As far as we are aware there have been no material changes in the standing of the Tenements since the date of our investigations.
- (f) Where compliance with the terms and conditions of the Tenements and all applicable provisions of the mining legislation and regulations in Western Australia and all other relevant legislation and regulations, or a possible claim in relation to the Tenements is not disclosed on the face of the searches referred to above, we express no opinion as to such compliance or claim.
- (g) Native title may exist in the areas covered by the Tenements. While we have conducted searches to ascertain what native title claims, if any, have been lodged in the Federal Court in relation to the areas covered by the Tenements, we have not conducted any research on the likely existence or non-existence of native title rights and interests in respect of those areas. Further, the NTA contains no sunset provisions and it is possible that additional native title claims could be made in the future.
- (h) Aboriginal heritage sites or objects (as defined in the *Aboriginal Heritage Act 1972 (WA) (Heritage Act)* or under the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth)) may exist in the areas covered by the Tenements regardless of whether or not that site has been entered on the Register of Aboriginal Sites established by the WA Heritage Act or is the subject of a declaration under the Commonwealth Heritage Act. We have not conducted any legal, historical, anthropological or ethnographic research regarding the existence or likely existence of any such Aboriginal heritage sites or objects within the area of the Tenements.
- (i) The information for the material contracts was obtained from agreements supplied by the Company. Not all original documents were sighted and therefore the accuracy of information cannot be assured.

General Information about Exploration Licences and Mining Leases in Western Australia

10. Exploration licences

(a) Licence area

Exploration licences are described by graticular blocks, which range in area from approximately 2.8km² to 3.3km² depending on where the block is located in the State of Western Australia. The holder of an exploration licence is permitted to carry out certain exploratory activities with respect to its area, subject to any conditions imposed on the grant of the licence. Exploration licences may be granted for areas not exceeding 70 blocks unless the Minister has designated areas of the State that may be made the subject of applications for exploration licences up to 200 blocks.

(b) Duration of licence

An exploration licence that was applied for before 11 February 2006 remains in full force for up to 5 years from the date of grant, with the possibility of renewal by the Minister in certain circumstances for a further two periods of 2 years, and then periods of 1 year provided the reason for extension is within prescribed grounds. An exploration licence applied for on or after 11 February 2006, remains in force for 5 years with a possibility of renewal by the Minister in certain circumstances for a period of 5 years and then a further period or periods of 2 years.

(c) Compulsory statutory reduction of licence area

The holder of an exploration licence applied for on or after 11 February 2006 must lodge a compulsory surrender of 40% of the number of blocks that are the subject of the licence at the end of the fifth year of the term. The holder of an exploration licence applied for before 10 February 2006 must, before the third and fourth anniversary of the licence, compulsorily surrender 50% of the number of blocks that are the subject of the licence. There are grounds for obtaining exemption from compulsory partial surrender for licences applied for before 11 February 2006 and obtaining a one year deferral from compulsory partial surrender for exploration licences applied for after 11 February 2006.

(d) Retention Status

The holder of an exploration licence applied for after 11 February 2006 may apply for retention status for the whole or part of the land the subject of the exploration licence which may be approved if there is an identified mineral resource located in the land and mining of that identified mineral resource is impractical for economic or marketing reasons or if there are political, environmental or other difficulties in obtaining requisite approvals. On approval of retention status the holder of an exploration licence may have to comply with a specified programme of work. The Minister may ask the holder of an exploration licence with retention status to show cause as to why a mining lease or leases should not be applied for over the land.

(e) Right to apply for mining leases

The Mining Act confers on the holder of an exploration licence which is in force, the right to apply for and, subject to the Mining Act, have granted, one or more mining leases over any part of the land the subject of that licence. The Mining Act limits the ability to apply for mining leases to instances where the Director, Geological Survey is satisfied that significant mineralisation exists or where a mining proposal has been prepared. Significant mineralisation is defined in the Mining Act as a deposit of minerals where there is a reasonable prospect of those minerals being obtained by mining operations. A mining proposal is a document which sets out in detail the mining operations proposed to be carried out on the area of the application.

(f) First Year of licence

Under the Mining Act, an exploration licence, or an interest therein, may not, during the first year of the term of the licence, be assigned, transferred, sublet or made the subject of any trust or other dealing, whether directly or indirectly, without the written consent of the Minister, and any such transaction entered into without such consent will be void.

11. Mining leases

(a) Application for a mining lease

The holder of an exploration licence has, subject to the Mining Act, the right to apply for and have granted a mining lease over the land the subject of the exploration licence. The grant of mining leases under the Mining Act lies with the Minister on recommendation of the Mining Registrar or Warden. Applications for mining leases are not transferable, except when a mining lease application wholly within the area of the exploration licence, is transferred and the mining lease application then continues in the name of the transferee if the transferee was the applicant.

(b) No Assignment

It is a covenant and condition of a mining lease that the lessee not assign, underlet or part with possession of any part of a mining lease without the prior approval of the Minister or an officer of the relevant department acting on the authority of the Minister.

(c) Duration and rights of a mining lease

A mining lease remains in force for up to 21 years from the date of grant. The maximum area over which a mining lease may be granted before 11 February 2006 was 10 square kilometres, since 11 February 2006 the area is unrestricted. The holder has an option to renew for a further 21 years and then for a further 21 years with Ministerial consent. A mining lease entitles the holder to exclusive possession of the land for the purposes of mining. The holder may work and mine the land for any minerals, extract and dispose of such minerals and do all acts and things necessary in order to carry out mining operations on the land the subject of that mining lease, conditional on a Programme of Work being approved by DMIRS.

(d) Other obligations

The Mining Act also imposes obligations upon the holder of a mining tenement in relation to entry to, and use of, land, notice requirements and compensation to the landholder. The tenement holder must give written notice to landholders of the relevant land (including native title holders), before entering the land for exploration or mining purposes, and access arrangements are to be entered into in accordance with the requirements of the Mining Act. The holder of a mining tenement is also required to compensate every person having an interest in any land upon which mining operations are carried out in pursuance of the Mining Act, and this includes persons holding native title in the relevant land. Compensation may be by agreement or determined by the Court. Obligations are also imposed in relation to compliance with environmental, conservation and heritage obligations and rehabilitation requirements.

(e) Conditions of tenements

Mining tenements in Western Australia are granted subject to various conditions prescribed by the Mining Act including payment of rent, expenditure and reporting requirements and standard environmental conditions, as well as any conditions that may be imposed by the Minister in respect of a particular mining tenement. The rent and expenditure obligations and current status of these for the Tenements are set out in the Schedule along with the Endorsements and conditions affecting the Tenements. Failure to comply with a condition, to which the tenement is subject, such as the payment of rent or compliance with prescribed expenditure conditions, will render the tenement liable to forfeiture by the Minister (or alternatively the Minister may impose a penalty of up to \$50,000). Further, where the expenditure conditions have not been complied with (or relieved by the grant of an exemption) any person may apply to the mining warden for the forfeiture of the licence. The warden may only recommend forfeiture where the non-compliance is of sufficient gravity to justify forfeiture and alternatively may impose a penalty of up to \$10,000.

(f) Other statutory requirements

Mining tenements in Western Australia are also subject to statutory requirements of certain other Acts including but not limited to the *Aboriginal Heritage Act 1972*, *Environmental Protection Act 1986*, *Rights in Water and Irrigation Act 1914* and *Conservation and Land Management Act 1984*.

Tenement Obligations

12. The rent and expenditure obligations for the Tenements are set out in the Schedule. Endorsements, conditions and dealings affecting the Tenements are summarised in the Schedule.

Native Title – Overview

13. Recognition of native title

In June 1992 the High Court of Australia delivered judgement in *Mabo v Queensland (No.2)* and for the first time the common law of Australia recognised the continuing existence of Aboriginal native title rights to their traditional land and waters following the colonisation of Australia by European settlement.

Generally, these native title rights to land and water will be recognised if:

- (a) the claimants can establish that they have maintained a continuous connection with the land in accordance with traditional laws and customs since British settlement in 1788; and
- (b) the native title rights have not been lawfully extinguished.

The High Court held that native title could be extinguished by the valid exercise of governmental powers provided there was a clear and plain intention to do so. Further, in order for extinguishment to be lawful it must comply with the obligations imposed by the *Racial Discrimination Act 1975* (Cth).

After the Mabo case, considerable uncertainty existed surrounding the validity of proprietary rights in Australia, including mining tenements, and as a consequence the NTA was enacted by the Commonwealth Parliament and came into operation on 1 January 1994. The NTA was substantially amended in 1998 in response to the decision of the High Court in *Wik People v Queensland* which recognised that the granting of a pastoral lease did not necessarily extinguish all native title rights, some of which could co-exist with the rights under a pastoral lease.

In summary, the NTA:

- (a) provides for recognition and protection of native title;
- (b) establishes a regime by which claims for native title and compensation can be determined by the Federal Court of Australia;
- (c) provides procedures by which any future act affecting native title (such as the grant of a mining tenement) may be validly undertaken and by which registered claimants may be afforded certain procedural rights including the 'right to negotiate';
- (d) makes valid certain 'past acts' which would otherwise be invalidated because of native title;
- (e) extinguishes native title by the grant of private freehold title and exclusive possession tenures such as freehold leases. The grant of a freehold interest in land is considered so inconsistent with the continued enjoyment of native title rights that it extinguishes native title and once extinguished native title cannot be revived;
- (f) establishes the position of a Native Title Registrar with responsibility to consider whether claims filed pass the requirements of the 'registration test', maintain registers of native title claims, proven native title and Indigenous Land Use Agreements, and provide mediation services to parties to native title applications; and
- (g) establishes the National Native Title Tribunal, with responsibility to assist the Native Title Registrar and provide services and support to parties to native title claims.

14. Native title claims

The NTA provides for procedures whereby a claimant may lodge an application for a determination of native title with the Federal Court. Once a native title claim has been lodged, the Federal Court will refer the claim to the Native Title Registrar who must determine whether the claim meets certain conditions concerning the merits of the claim, and certain procedural and other requirements set out by the NTA (**Registration Test**).

If the Native Title Registrar is satisfied that the claim meets the Registration Test, the claim will be entered on the Register of Native Title Claims maintained by the NNTT. If a claim fails to meet the Registration Test it may still be entered on the Register at a later date if additional information is provided by the claimant that satisfies the Registration Test. Both registered and unregistered native title claims proceed through the mediation and determination process in the Federal Court. However, claimants of unregistered claims are not usually afforded certain procedural rights under the NTA, including rights of notification and rights to negotiate in relation to activities such as the grant of mining tenements on the land the subject of their unregistered claim.

15. The 'right to negotiate' and the Future Act Regime

The NTA provides procedures for the benefit of registered native title claimants that are collectively known as the future act regime. After registration of their native title claim, claimants will be entitled to the 'right to negotiate' with respect to certain proposed future acts that may affect native title. The granting of a mining tenement in Western Australia constitutes an act that may affect native title. In Western Australia, the State gives notice of its intention to proceed with the grant of a tenement either under the 'right to negotiate' process operated by DMIRS or under the expedited procedure.

Generally, in relation to exploration licences and prospecting licences, the State issues a notice including a statement that the tenement should be granted under the expedited procedure. This means the tenement will be granted without negotiations with any native title claimants. Registered claimants may lodge an objection to this within 4 months after the notification date. If there are no objections lodged within the 4 month period, the NNTT does not become involved and the State may proceed to grant the tenement in accordance with the Mining Act procedures. If one or more objections are lodged the mailer is referred to the NNTT. The parties may negotiate, agree that the proposed future act is an act attracting the expedited procedure and consent to a determination that the expedited procedure applies. In such cases, the State will proceed to grant under the Mining Act.

If the parties do not reach agreement, the NNTT must determine the matter. If the NNTT decides that the expedited procedure does apply, the State may proceed to grant the tenements. Alternatively, if the NNTT determines that the expedited procedure does not apply, the process for grant of the tenement must comply with the 'right to negotiate' provisions of the NTA administered by DMIRS. Under the NTA, the expedited procedure will not apply if the grant of the exploration licence or prospecting licence is likely to interfere with the community or social activities on the land, areas or sites of particular significance, or involve major disturbance to any land or waters.

The right to negotiate provisions of the NTA require the parties (i.e. the State, the tenement applicant and the registered native title claimants) to negotiate in good faith for a period of not less than 6 months following the publication of the State's notice that it intends to grant the tenement. If no agreement is reached within that time, the matter may be referred to the NNTT for determination as to whether, under the NTA, the tenement may be granted. If it determines that the tenement may be granted, the NNTT may impose conditions on the grant additional to those imposed under the Mining Act.

If the right to negotiate procedure applies in relation to a future act but is not complied with, the act will be invalid to the extent that it affects native title.

16. Proving a native title claim

Whether a native title claim is registered or unregistered, the native title claimants must prove that their claimed native title rights exist in the Federal Court in order to have their claimed native title rights formally recognised. Native title claims may be resolved through a full trial or may be the subject of a consent determination following a successful mediation process. If a native title claim is successfully proven, the then current holder of any mining tenement may be liable for compensation for any effect of the grant of that tenement on the native title proven to exist. As yet, there has not been any determination of a compensation claim of this kind in Australia.

17. ILUAs

An ILUA is a contractual arrangement governed by the NTA. Under the NTA, an ILUA must be negotiated with all registered native title claimants for a relevant area. The State and the applicant for the tenement are usually the other parties to the ILUA.

An ILUA must set out the terms on which a tenement can be granted. An ILUA will also specify conditions on which activities may be carried out within the tenement. The applicant for a tenement is usually liable for any compensation that the parties agree to pay to the registered native title claimants and holders of native title in return for the grant of the tenement being approved. These obligations pass to a transferee of the tenement.

Once an ILUA is agreed and registered, it binds the whole native title claimant group and all holders of native title in the area (including future claimants), even though they may not be parties to it.

Searches indicate that the Tenements are affected by a number of ILUAs entered into with various registered native title claimants. Refer to Paragraph 27 for further details.

Native Title – Western Australia

18. Current policy

As at the date of this Report, the Western Australian government's current policy in respect of the assessment of applications for the grant of exploration licences and prospecting licences engages the operation of the future act regime where the grant of such tenements may affect native title.

Under the present guidelines, the applicant for the grant of a tenement may provide evidence to DMIRS, in the manner required by the guidelines, that it has executed a standard form heritage agreement or an alternative heritage agreement is in place with a native title representative body (**NTRB**) or with native title parties not represented by a NTRB. In those circumstances, the WA government, in giving notification of the application for the grant of a prospecting or exploration licence required under section 29 of the NTA, will apply the expedited procedures set out in section 32 of the NTA. Provided that objection is not lodged by an interested native title claimant or party, and provided that a heritage agreement of the type referred to above is executed by the NTRB or relevant claimants or parties, the application may proceed to grant without further consideration of native title issues. If an executed heritage agreement is not signed by the parties, the NTA right to negotiate regime will be engaged and the applicant for the licence will need to negotiate in good faith together with the State and the native title claimant to progress the application to grant.

We have been provided with various Aboriginal heritage agreements affecting the Tenements. Refer to Paragraph 44 for further details.

19. Validity of granted Tenements

(a) **Tenements granted prior to 1 January 1994**

Under the NTA, tenements granted in Western Australia prior to 1 January 1994 are deemed to be valid and native title (if any exists) has been suspended by their grant.

According to our DMIRS searches, none of the Tenements were granted prior to 1 January 1994.

(b) **Tenements granted after 1 January 1994**

Unless native title had previously been extinguished in respect of the land upon which the Tenements were granted, these Tenements would necessarily attract the operation of the future act provisions of the NTA and engage the right to negotiate procedures to the extent that the grant of those Tenements might affect native title.

Accordingly, the Tenements, will be valid provided that the future act regime under the NTA was followed by the relevant parties.

Under the NTA the grant of a mining tenement is a "future act". A future act will be valid only if the requirements of the NTA were complied with. Since 2001, the Western Australian Government has complied with the NTA procedures when granting mining tenements. All of the Exploration Licences and Exploration Licence Applications which comprise the Tenements have been or will be granted after 2001. Therefore, all Tenements have been or will be validly granted under the NTA.

Native Title – Affecting the Tenements

20. The Searches reveal that the Tenements are subject to the following determined Native Title claims:

Project	Tenement(s)	Determined Native Title Claim	% Overlap
Argyle Silica Project	E80/5629 (application) E80/5524	Yurriyangem Taam determined Native Title claim (WAD268/2010)	100%
	E80/5652 (application)	Miriuwung-Gajerrong (Western Australia) Native Title claim (WAD6001/1995) Miriuwung Gajerrong #4 Native Title claim (WAD 124/2004)	3.38% 96.3%
Esperance Silica Project	E63/2138 (application) E63/2137 E63/2139	The Esperance Nyungars Native Title claim (WAD2014/002)	100%

21. The Court has determined that native title exists in relation to the above Native Title claims. Registered native title claimants (and holders of native title under determinations) are entitled to certain rights under the Future Act Provisions in respect of land in which native title may continue to subsist.

22. The Searches reveal that the Tenements are subject to the following Native Title Claims:

Project	Tenement(s)	Native Title Claim	% Overlap
South-West Silica Project	E70/5455 E70/5447 E70/5527 E70/5920	Wagyl Kaip Native Title claim (WAD6286/1998)	100%
	E70/5682 E70/5745	South West Boojarah #2 Native Title claim (WAD253/2006)	100%
	E70/5447 E70/5527 E70/5920	Southern Noongar Native Title claim (WAD6134/1998)	100%

The above Native Title claims have not been determined as at the date of this Report.

Agreements with Native Title Parties

- 23. Determined native title holders may seek compensation under the NTA for the impacts of acts affecting native title rights and interests after the commencement of the Racial Discrimination Act on 31 October 1975.
- 24. The State of Western Australia has passed liability for compensation for the impact of the grant of mining tenements under the Mining Act onto mining tenement holders pursuant to section 125A of the Mining Act. Outstanding compensation liability will lie with the current holder of the Tenements at the time of any award of compensation pursuant to section 125A of the Mining Act or, in the event there is no holder at that time, the immediate past holder of the relevant Tenement.
- 25. Compensation liability may be settled by agreement with native title holders, including through ILUAs (which have statutory force) and common law agreements (which do not have statutory force).
- 26. There is limited case law guidance on the likely quantum of compensation that might be awarded to any determined Native Title group in the event of a successful native title compensation claim. As noted above, any compensation liability in relation to the grant of the Tenements will lie with the current holders of the Tenements.
- 27. The Searches reveal that the Tenements are subject to the following ILUAs:

Project	Tenement(s)	ILUA	% Overlap
South-West Silica Project	E70/5455 (application) E70/5447 E70/5527 E70/5920	WI 2017/014 Wagyl Kaip & Southern Noongar Indigenous Land Use Agreement	100%
	E70/5682 E70/5745	WI 2017/013 South West Boojarah #2 Indigenous Land Use Agreement	100%
Argyle Silica Project	E80/5652 (application)	WI 2005/003 Ord Final Agreement (ILUA)	100%
Esperance Silica Project	E63/2138 (application) E63/2137 E63/2139	WI 2014/006 Esperance Nyungar Government ILUA	100%

29. Due to standard confidentiality provisions, the terms and conditions of an ILUA are not available for public access, however an excerpt of each ILUA has been obtained in order to confirm who the applicants are.

Aboriginal Heritage

30. Both Commonwealth and State legislation protects and provides for the preservation of places, areas, and objects of significance to Aboriginal people in accordance with Aboriginal traditions. Even if native title has been extinguished, the notion of an Aboriginal person's traditional land and the spiritual and cultural value of sites on the land will remain.
31. The *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) provides the Commonwealth Minister with power to make declarations for the protection and preservation of an area or object that is of Aboriginal significance. Before making a declaration, the Commonwealth Minister must commission a report in relation to the area. We are informed by the Company that it is not aware of any application having been made under the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) in relation to the Tenements.
32. In Western Australia, the *Aboriginal Heritage Act 1972* (WA) protects all Aboriginal sites and objects of significance to Aboriginal persons on or under an Aboriginal site whether or not those sites are registered on the Register of Aboriginal Sites established by that Act. Although the Aboriginal Heritage Act encourages the registration of Aboriginal sites, the Aboriginal Heritage Act protects all Aboriginal sites, whether registered or not.
33. The Aboriginal Heritage Act does not provide a mechanism for determining the existence of Aboriginal sites, although the register enables sites to be identified. Accordingly, to ensure that all sites in an area are avoided, the practice has developed for exploration and mining companies to undertake Aboriginal heritage surveys with Aboriginal traditional owners to identify ethnographic sites and to undertake archaeological surveys to identify archaeological sites.

Aboriginal Heritage Sites on the Tenements

34. Searches indicate the following Aboriginal Heritage Sites:

Project	Tenement(s)	Registered Aboriginal Heritage Sites	Type	Restricted	Gender Restrictions
Argyle Silica Project	E80/5629 (application)	Wanambam (12983)	Mythological	File restricted Boundary restricted	No gender restrictions
		Nganjuwarrm – Durham River (15152)	Artifacts/Scatter, Ceremonial, Engraving, Modified Tree, Mythological, Painting, Quarry, Repository/Cache, Ochre	File restricted Boundary restricted	No gender restrictions
Esperance Silica Project	E63/2139	Rollands Road (1981)	Skeletal Material/Burial	Nil	No gender restrictions
	E70/5447	Red Lake/Lake Muir (5733)	Artifacts/Scatter	Nil	No gender restrictions

South-West Silica Project		Cowerup Swamp (5784)	Artefacts/Scatter	Nil	No gender restrictions
		Cowerup Swamp, Lake Muir (5785)	Artefacts/Scatter	Nil	No gender restrictions

35. On the basis that Aboriginal heritage sites exist on the Tenements, in order to engage in any activity that may interfere with an Aboriginal site, the tenement holder must obtain the consent of the Minister of Aboriginal Affairs (WA) (**DAA Minister**) pursuant to section 18 of the Heritage Act. This requires submissions from the tenement holder to the Department of Planning, Lands and Heritage on the proposed activities, the possible impact on the Aboriginal sites, any negotiations conducted with Aboriginal traditional owners of the lands and any measures that will be taken to minimise the interference.
36. The Company has advised that the areas affected by the above sites are not currently considered prospective and it is not currently expected that any exploration will be conducted within these areas. If geological understanding changes and exploration involving ground-disturbing activities is warranted within this area, an application for access under section 18 of the Heritage Act will need to be made to the Minister by the Company.
37. Searches indicate that the Tenements are affected by other heritage places, as follows:

Project	Tenement	Other Heritage Place	Type	Restricted	Gender Restrictions	Status
South-West Silica Project	E70/5745	Manjimup Ceremonial Grounds (Mica Hill) (4569)	Ceremonial, Historical, Camp, Meeting Place	Nil	No gender restrictions	Stored data / Not a site
	E70/5447 E70/5527 E70/5920	Yeriminup/Frankland Hunting and Camping Areas (21909)	Camping, Hunting Place	Nil	No gender restrictions	Stored data / Not a site
	E70/5920	Lake Muir, Manjimup (5710)	Kangaroo traps	Nil	No gender restrictions	Lodged
		Frankland River (21906)	Historical, Mythological, Camp, Hunting Place, Water Source	Nil	No gender restrictions	Stored data / Not a site
	E70/5682	Manjimup (5772)	Artefacts/Scatter, Camp	Nil	No gender restrictions	Lodged
Argyle Silica Project	E80/5629 (application)	Dunhan River Ford (12452)	Artefacts/Scatter	Nil	No gender restrictions	Lodged

38. The Company has advised that the above other heritage sites on the affected Tenements are not located in priority areas for current or future mining or exploration work on the Tenements.

39. Searches indicate that a number of the Tenements overlap with Aboriginal Heritage Survey Areas, as follows:

Project	Tenement(s)	Aboriginal Heritage Survey Area	% Overlap
South-West Silica Project	E70/5455	HSA 102273 1 HSA 102074 1 HSA 104000 1	100% 100% 100%
	E70/5682	HSA 27218 1 HSA 102073 1 HSA 102074 1 HSA 104000 1	0.13% 100% 100% 100%
	E70/5745	HSA 102073 1 HSA 102074 1 HSA 104000 1 HSA 201031 7	100% 100% 100% 0.11%
	E70/5447	HSA 18207 1 HSA 22095 1 HSA 102073 1 HSA 102074 1 HSA 102231 1 HSA 103786 1 HSA 104000 1	1.07% 0.29% 100% 100% 1.07% 0.12% 26.78%
	E70/5527	HSA 18207 1 HSA 102073 1 HSA 102074 1 HSA 102231 1	0.27% 0.27% 100% 100%
	E70/5920	HSA 102073 1 HSA 102074 1	100% 100%
Argyle Silica Project	E80/5629 (application)	HSA 17347 1 HSA 17591 2 HSA 18279 1 HSA 18279 2 HSA 19339 1 HSA 22749 1 HSA 22750 1	0.69% 0.06% <0.01% <0.01% 0.06% 4.74% 4.74%
	E80/5652 (application)	HSA 17833 1 HSA 18747 1 HSA 19341 1 HSA 103443 1	0.07% 0.01% 0.02% 0.12%
	E80/5524	HSA 17591 2 HSA 19339 1	0.15% 0.15%

40. The above surveys may indicate whether or not Aboriginal sites are present or whether some areas have been marked for avoidance. Land users should exercise caution in areas where no surveys have been completed, or where surveys have only been completed for parts of the area where the proposed activity is intended. Caution is required because heritage surveys over only part of the land may not have identified all possible sites.
41. We note, however, that there may be unregistered or otherwise undiscovered Aboriginal heritage sites on the Tenements.
42. Tenement holders must ensure that any interference with any Aboriginal sites that affect the Tenements strictly conforms to the provisions of the Heritage Act, including any conditions set down by the DAA Minister, as it is otherwise an offence to interfere with such sites.

43. It is not possible to run Aboriginal heritage searches over pending exploration licence applications. In any event, sole reliance on information contained in the Register may not be sufficient and consultation in the first instance with the DAA Minister is recommended depending on the DAA's advice this consultation may extend to include the relevant Aboriginal people.
44. The Company has also provided us with the following Aboriginal heritage agreements affecting the Tenements:

Project	Tenement(s)	Aboriginal Heritage Agreement
South-West Silica Project	E70/5455 (application)	Noongar Alternative Heritage Agreement with South West Aboriginal Land & Sea Council Aboriginal Corporation (LEG.1714)
	E70/5682	Noongar Standard Heritage Agreement with South West Aboriginal Land & Sea Council Aboriginal Corporation (LEG.1872)
	E70/5745	Noongar Standard Heritage Agreement with South West Aboriginal Land & Sea Council Aboriginal Corporation (LEG.1913)
	E70/5447	Noongar Alternative Heritage Agreement with South West Aboriginal Land & Sea Council Aboriginal Corporation (LEG.1640)
	E70/5527	Noongar Alternative Heritage Agreement with South West Aboriginal Land & Sea Council Aboriginal Corporation (LEG.1707)
Argyle Silica Project	E80/5524	Heritage Protection and Mineral Exploration Agreement with Kimberley Land Council Aboriginal Corporation

45. We have reviewed the above aboriginal heritage agreements and confirm they are on relatively industry standard terms for agreements of this nature. These aboriginal heritage agreements include provisions for environmental protection and rehabilitation of land, employment and contracting for the native title group and the obligation for the Tenement holder to provide community benefits to the native title group.

Private Land

46. The Searches reveal that a number of the Tenements encroach on land that is private land for the purposes of the Mining Act as follows:

Project	Tenement(s)	Freehold	% Overlap
South-West Silica Project	E70/5455 (application)	20 land parcels affected (333.22 Ha)	29.43%
	E70/5682	96 land parcels affected (1546.55 Ha)	90.94%
	E70/5745	56 land parcels affected (1339.54 Ha)	78.8%
	E70/5447	6 land parcels affected (1837.06 Ha)	81.11%
	E70/5527	12 land parcels affected (2147.73 Ha)	94.8%
	E70/5920	25 land parcels affected (4918.57 Ha)	96.48%
Argyle Silica Project	E80/5629 (application)	3 land parcels affected (259.64 Ha)	1.61%
	E80/5652 (application)	3 land parcels affected (251.63 Ha)	3.82%
Esperance Silica Project	E63/2138 (application)	6 land parcels affected (785.12 Ha)	16.06%
	E63/2137	15 land parcels affected (1534.82 Ha)	31.66%
	E63/2139	15 land parcels affected (4999.66 Ha)	96.62%

48. The above table considers an estimate of the extent of encroachment on private land of exploration licence applications E70/5455, E80/5629, E80/5652 and E63/2138 as at the date of this Report. The exact extent of the encroachments to these Tenements will not accurately be known until the exploration licence applications are granted.

49. The Mining Act defines "private land" as any land alienated from the Crown for any estate of freehold, or is or maybe the subject of a conditional purchase agreement, or of any lease or concession with or without a right of acquiring the fee simple (other than a pastoral lease, a lease for grazing purposes only or for timber purposes or a lease of Crown land for the use and benefit of the Aboriginal inhabitants), but excluding:
- (a) in relation to mining for minerals other than gold, silver and precious metals for the purposes of Division 3 of Part III of the Mining Act, land alienated before 1 January 1899, except as provided in that Division; and
 - (b) land that is already the subject of a mining tenement, other than where the primary tenement may be treated as private land in relation to mining for gold pursuant to a special prospecting licence or mining lease under section 56A, 70 and 85B of the Mining Act.
50. Under section 29(2) of the Mining Act, a mining tenement in respect of the natural surface to within a depth of 30 metres of the surface cannot be granted in respect of "private land" which is:
- (a) in bona fide and regular use as a yard, stockyard, garden, orchard, vineyard, plant nursery or plantation or is land under cultivation;
 - (b) the site of a cemetery or burial ground;
 - (c) the site of a dam, bore, well or spring;
 - (d) land on which there is erected a "substantial improvement";
 - (e) within 100 metres of any private land referred to above; or
 - (f) a separate parcel of land having an area of 2,000 square metres or less,
- except with the written consent of the owner and occupier of that land.
51. Accordingly, a mining tenement may be granted over "private land" but does not give the tenement holder surface rights to the land unless the owner and occupier's written consent is obtained.
52. Even if the tenement holder is given surface rights, the holder is not permitted to commence any mining until the tenement holder has paid or tendered to the owner and occupier of the land the amount of compensation, if any, required to be paid under and as ascertained in accordance with the Mining Act or made an agreement with the owner and occupier with respect to the same. Sections 123 to 125 of the Mining Act apply in relation to the determination of any claims for compensation in respect of "private land".
53. The Company has provided us with various compensation and access agreements in relation to certain South-West Silica Tenements with various private landowners as follows:

Project	Tenement	Number of Agreements
South-West Silica Project	E70/5447	Three (3)
	E70/5527	
	E70/5682	Two (2)
	E70/5745	

54. We have reviewed these compensation and access agreements and confirm that they are on relatively industry standard terms for agreements of this nature, the key terms of which are summarised in section 14.1 of the Prospectus. The Company has advised that the above compensation agreements cover the key locations in which the Company's current or future mining or exploration work is planned on the affected Tenements.

Crown Land

55. The Searches reveal that certain Tenements overlap with Crown land as set out in the table below:

Project	Tenement(s)	Pastoral Lease	Overlap
Argyle Silica Project	E80/5629 (application)	PL N049571 Pastoral Lease (C) Doon Doon – Aboriginal Corporation (4160.42 Ha) PL N049794 Pastoral lease (C) Glen Hill – Aboriginal Corporation (9032 Ha) Unallocated Crown Land: 3 land parcels affected (141.06 Ha) Crown General Lease K954892 (802.8 Ha) Crown General Lease L387707 (322.68 Ha)	25.84% 56.1% 0.88% 4.99% 2%
	E80/5652 (application)	PL N050034 Pastoral Lease (C) Ivanhoe (6309.14 Ha)	95.86%
	E80/5524	PL N049794 Pastoral Lease (C) Glen Hill – Aboriginal Corporation (1642.3 Ha)	100%
Esperance Silica Project	E63/2138 (application)	Unallocated Crown Land: 1 land parcel affected (4057.84 Ha)	83.01%

56. The Mining Act:

- (a) Prohibits the carrying out of prospecting, exploration or mining activities on Crown land that is less than 30 metres below the lowest part of the natural surface of the land and:
 - i. for the time being under crop (or within 100 metres of that crop);
 - ii. used as or situated within 100 metres of a yard, stockyard, garden, cultivated field, orchard vineyard, plantation, airstrip or airfield;
 - iii. situated within 100 metres of any land that is an actual occupation and on which a house or other substantial building is erected;
 - iv. the site of or situated within 100 metres of any cemetery or burial ground; or
 - v. if the Crown land is a pastoral lease, the site of or situated within 400 metres of any water works, race, dam, well or bore not being an excavation previously made and used for purposes by a person other than the pastoral lessee,
- without the written consent of the occupier, unless the Warden by order otherwise directs;

- (b) imposes restrictions on a tenement holder passing over Crown land referred to in this paragraph, including:
- i. taking all necessary steps to notify the occupier of any intention to pass over the Crown land;
 - ii. the sole purpose for passing over the Crown land must be to gain access to other land not covered by this paragraph to carry out prospecting, exploration or mining activities;
 - iii. taking all necessary steps to prevent fire, damage to trees, damage to property or damage to livestock by the presence of dogs, the discharge of firearms, the use of vehicles or otherwise; and
 - iv. causing as little inconvenience as possible to the occupier by keeping the number of occasions of passing over the Crown land to a minimum and complying with any reasonable request by the occupier as to the manner of passage; and
- (c) requires a tenement holder to compensate the occupier of Crown land:
- i. by making good any damage to any improvements or livestock caused by passing over Crown land referred to in this paragraph or otherwise compensate the occupier for any such damage not made good; and
 - ii. in respect of land under cultivation, for any substantial loss of earnings suffered by the occupier caused by passing over Crown land referred to in this paragraph.
57. The Warden may not give the order referred to above that dispenses with the requirement for the occupier's consent in respect of Crown land. In respect of other areas of Crown land covered by the prohibition paragraph 56(b), the Warden may not make such an order unless he is satisfied that the land is genuinely required for mining purposes and that compensation in accordance with the Mining Act for all loss or damage suffered or likely to be suffered by the occupier has been agreed between the occupier and the tenement holder or assessed by the Warden under the Mining Act.
58. The Company may need to enter into access and compensation agreements with the occupiers of the Crown land upon commencement of mining activities. We are not aware of any such agreements between the Company and such occupiers as at the date of this Report.
59. In respect of the Tenement applications which encroach on pastoral leases, it is not necessary to conclude an agreement with a pastoral lessee as to compensation before the Tenement can be granted. However, it is not uncommon for tenement holders and pastoral lessees to enter into such agreements. In the absence of agreement, the Warden's Court determines compensation payable.
60. In addition, standard conditions are imposed on granted mining tenements which overlap with pastoral leases, including conditions relating to notifications to the leaseholder prior to undertaking airborne geophysical surveys or ground disturbing activities. Refer to the Schedule for further details on the Conditions applying to the Argyle Project Tenements.

61. The Company has advised that it has not conducted investigations into the proposed use of the unallocated crown land parcels encroaching the Tenement applications as at the date of this Report. The Company will confirm such matters once the Tenements are granted to confirm if any issues are presented by these encroachments.

Reserves and Forests

62. Under section 41 of the *Land Administration Act 1997 (WA)* (**LAA**) the Minister may set aside Crown lands by Ministerial Order in the public interest. Every such reservation has its description and designated purpose registered on a Crown Land Title (**CLT**) and is depicted on an authenticated map held by Landgate.
63. The *Land Act 1933 (WA)* (**Land Act**) provided for State reserves to be classified as Class A, B or C. There is no provision in the LAA to create new Class B reserves and there is no longer reference to Class C reserves.
64. Upon the Land Act being repealed, all Class C reserves became reserved land under the LAA. Schedule 3 of the Land Administration Amendment Act 2000 (WA), at section 3(5), provides that any land which was classified as a Class C reserve, upon the day the LAA came into operation, is to be treated as a reserve within the meaning of the LAA. Tenement holders are limited as to what activities may be undertaken on reserved land, requiring the written consent of the Minister.
65. Class A affords the greatest degree of protection for reserved lands, requiring approval of Parliament to amend the reserve's purpose or area, or to cancel the reservation. The A classification is used solely to protect areas of high conservation or high community value. Class B reserves continue, but are no longer created under the LAA. The Minister for Lands may deal with Class B reserved lands as normal reserves, provided that, should the reservation be cancelled, a special report is made to both Houses of Parliament within 14 days from the cancellation or within 14 days after the commencement of the next session.
66. Once created, a reserve is usually placed under the care, control and management of a State government department, local government or incorporated community group by way of a Management Order registered against the relevant CLT. A Management Order under the LAA does not convey ownership of the land – only as much control as is essential for the land's management.
67. The Searches indicate that a number of the Tenements encroach on land which is classified as reserves (both "A" and "C" class reserves) or as a proposed reserve as follows:

Project	Tenement	Reserve ID	Description	Overlap
South-West Silica Project	E70/5455 (application)	R47663	"A" Class Reserve National Park (0.63 Ha)	0.06%
	E70/5682	R18705 R19670 R20574 R22962 R42836	"A" Class Reserve National Park (12.05 Ha) "C" Class Reserve Gravel (17.07 Ha) "C" Class Reserve Recreation (2.95 Ha) "C" Class Reserve Gravel (6.02 Ha) "C" Class Reserve Agricultural Research Station (11.44 Ha)	0.71% 1% 0.17% 0.35% 0.67%
	E70/5745	R14063 R18705	"A" Class Reserve Conservation of Flora & Fauna Act 117 – 1981 (74.16 Ha) "A" Class reserve National Park (0.11 Ha)	4.36% 0.01%

Project	Tenement	Reserve ID	Description	Overlap
Argyle Silica Project		R29595	"C" Class Reserve Emergency Services Site and Quarry Shale (2.55 Ha)	0.15%
	E70/5447	R26679	"A" Class Reserve Water & Conservation of Flora & Fauna	1.09%
		R33455	"C" Class Reserve Conservation of Flora & Fauna	7.71%
	E70/5527	R25798	"A" Class Reserve Conservation of Flora & Fauna	0.06%
		R26680	"A" Class reserve Water & Conservation Flora & Fauna	0.27%
		R27270	"C" Class Reserve Recreation	2.48%
	E70/5920	R29601	"A" Class Reserve Water & Conservation of Flora & Fauna	1.21%
		R35307	"C" Class Reserve Government Requirements	1.66%
		PNR184	Proposed Nature Reserve	1.66%
	E80/5629 (application)	R1604	"C" Class Reserve Public Purposes (918.52 Ha)	5.71%
Esperance Silica Project		R33560	"C" Class Reserve Irrigation Drains & Channels (4.84 Ha)	0.03%
		R33562	"C" Class Reserve Irrigation Drains & Channels (30.62 Ha)	0.19%
		R33563	"C" Class Reserve Irrigation Drains & Channels (3.32 Ha)	0.02%
		R39750	"C" Class Reserve Repeater Station Site (17.55 Ha)	0.11%
		R42684	"C" Class reserve Sand Deposits (2.16 Ha)	0.01%
	E80/5652 (application)	R41575	"C" Class reserve Repeater Station Site (7.11 Ha)	0.11%
	E63/2138 (application)	R43221	"C" Class Reserve Conservation of Flora & Fauna (23.04 Ha)	0.47%
		PNP 36	Proposed National Park ("A" Class Reserve)	82.98%
	E63/2137	R24486	"C" Class Reserve Flora (1630.32 Ha)	33.64%
		R34777	"C" Class Reserve Recreation Dune Buggies & Trail Bikes (1628.51 Ha)	33.6%
		R35557	"A" Class Reserve Water & Conservation of Flora & Fauna	0.63%
	E63/2139	R43221	"C" Class Reserve Conservation of Flora & Fauna	1.76%

70. If any of the above proposed reserves become declared nature reserve areas, the Company may be limited as to what activities may be undertaken on the applicable land which overlaps with the relevant Tenement areas without the written consent of the Minister.
71. The Searches reveal that the certain South-West Silica Tenements overlap with State Forest areas:

Project	Tenement(s)	State Forest Reserve	Overlap
South-West Silica Project	E70/5455 (application)	State Forest No. 38 (754.93 Ha)	66.67%
	E70/5682	State Forest No. 36 (29.82 Ha)	1.75%
	E70/5745	State Forest No. 38 (244.53 Ha)	14.38%

72. The Searches also reveal that there are various other Crown reserves affecting the Tenements, as set out in the table below:

Project	Tenement(s)	Encroached Area (%)	Crown land
South-West Silica Project	E70/5682	15.42 Ha (0.91%)	O 158/25 Timber Reserve, Department of Biodiversity, Conservation and Attractions
	E 70/5455 (application)	1132.32 Ha (100%)	WR 26 Warren River Water Reserve, Department of Water and Environmental Regulation
	E 70/5682	1700.71 Ha (100%)	
	E 70/5745	1700.02 Ha (100%)	
	E 70/5527	1435.53 Ha (63.36%)	
Esperance Silica Project	E 70/5920	2668.81 Ha (52.35%)	
	E 63/2137	2880.42 Ha (59.43%)	WR 10 Esperance Water Reserve, Department of Water and Environmental Regulation

73. The terms of the Tenements which have already been granted over such areas contain Conditions and Endorsements dealing in or in the vicinity of the above Reserve and State Forest areas, including restrictions to mining and exploration activities without prior written consent of the Minister in certain circumstances. It should be expected that any tenements granted in respect of the Tenement applications will be subject to the same or similar restrictions in relation to reserves, forests and other sensitive areas. Refer to the Schedule for further details.
74. The Company has advised that the priority areas for current or future mining or exploration work on the affected Tenements are largely located outside of the above reserve, proposed reserve or state forest areas. To the extent the Company plans to conduct activities within the above reserve, proposed reserve or state forest areas, the Company has advised that it has submitted or plans to submit the required programme of works, conservation and/or environmental management plans and other documents required to obtain the consents and approvals required for its proposed activities.

Other Environmentally Sensitive Areas

75. The EPBC is the Australian Federal Government's central piece of environmental legislation and provides a legal framework to protect and manage nationally and internationally important flora, fauna, ecological communities and heritage places (defined in the EPBC as matters of national environmental significance).
76. Where proposed activities on the Tenement may have the potential to have a significant impact on a matter of national environmental significance, the project must be referred to the DEE. The minister responsible for the EPBC (currently the Australian Government Environment Minister), or their delegate, will then decide whether the likely environmental impacts of the project are such that it should be assessed by the DEE under the EPBC.
77. If the project needs to be assessed under the EPBC, once the DEE has assessed the project it will make a recommendation to the minister or delegate on whether or not the project should be approved to proceed. The minister (or delegate) will assess all information provided by the DEE and make a decision about whether or not the project should proceed.

Dieback risk zones

78. Phytophthora dieback ("Dieback disease") is a plant disease which has caused severe and widespread damage to native plants in Western Australia, particularly in south-west Western Australia in areas receiving more than 400mm annual rainfall. Human activity has caused significant, rapid and widespread distribution of this disease. To reduce the further spread of dieback disease, the Department of Biodiversity, Conservation and Attractions has delineated high risk areas to be subject to more strict management practices, including hygiene measures such as cleaning/wash down stations, seasonal road and trail closures and use of dieback free construction materials. Accordingly, all granted Tenements are subject to a condition that no exploration activities commence on areas of native vegetation until a Dieback management plan has been submitted to DMP for assessment and approval to commence such activities has been received. All affected pending Tenement applications are likely to have the same or a similar condition imposed.

79. The Searches reveal the following Tenements are affected by Dieback risk zones:

Project	Tenement(s)	Overlap
South-West Silica Project	E70/5455 (application)	100%
	E70/5682	100%
	E70/5745	100%
	E70/5447	100%
	E70/5527	100%
	E70/5920	100%
Esperance Silica Project	E63/2138 (application)	N/A
	E63/2137	100%
	E63/2139	N/A

Threatened ecological community areas

81. The Minister for Environment may currently list an ecological community as being threatened through a non-statutory process if the community is presumed to be totally destroyed or at risk of becoming totally destroyed. The Biodiversity Conservation Act 2016 provides for the statutory listing of threatened ecological communities (TECs) by the Minister and also describes statutory processes for preparing recovery plans for TECs, the registration of their critical habitat, and penalties for unauthorised modification of TECs. The department has been identifying and listing threatened ecological communities since 1994 through the non-statutory process.
82. The Searches reveal that Esperance Silica Tenement E63/2137 overlaps with 35 land parcels affected by threatened ecological communities and is subject to an endorsement which reflects this, directing the tenement holder to contact the Department of Parks and Wildlife's Threatened Species and Communities Unit for detailed information on management.

Wetlands

83. The Searches reveal that the following Tenements overlap with wetlands:
- (a) E63/2137 overlaps with the Mortijinup Lake System (10.05%);
 - (b) E70/5447 (30.19%), E70/5527 (0.3%) and E70/5920 (0.49%) overlap with the Byenup Lagoon System.

84. The above Tenements are subject to conditions restricting certain activities within the wetland areas. Refer to the Schedule for further details.

Catchments, reservoirs and other areas

85. The Searches indicate that certain Tenements overlap with other environmentally sensitive areas, as set out in the table below:

Project	Tenement(s)	Encroached Area (%)	Crown land
South-West Silica Project	E 70/5455	1132.32 Ha (100%)	Clearing Control Catchment Warren River Water Reserve, Department of Water and Environmental Regulation
	E 70/5682	1700.71 Ha (100%)	
	E 70/5745	1700.02 Ha (100%)	
	E 70/5527	1435.53 Ha (63.36%)	Catchment Area Quinninup Dam Catchment Area, Department of Water and Environmental Regulation
	E 70/5920	2668.81 Ha (52.35%)	
	E 70/5455	387.03 Ha (34.18%)	RPZ 133 Reservoir Protection Zone, Department of Water and Environmental Regulation
	E 70/5455	5.34 Ha (0.47%)	
Argyle Silica Project	E 80/5629 (application)	16100.23 Ha (100%)	Catchment Area Dunham River
	E 80/5524	1642.3 Ha (100%)	Catchment Area
	E 80/5652 (application)	6581.91 Ha (100%)	Irrigation District – Ord Irrigation District

86. The terms of the Tenements which have already been granted over such areas contain conditions restricting certain activities which can be conducted on the areas affected by the above encroachments. It should be expected that any Tenements granted in respect of current applications will be subject to the same or similar conditions. Refer to the Schedule for further details.

WA Heritage Sites

87. Tenement application E70/5455 overlaps 3.98% with WA Heritage Site St Erney's Homestead (ID number 01510). The Tenement has not yet been granted, however it is expected that once granted, the Tenement will include a condition imposing strict conditions regarding access to the heritage site area.
88. The Company has advised that the St Erney's Homestead heritage site area is not currently considered prospective and it is not expected that any exploration will be conducted on this area.

Other Encroachments

File Notation Areas

89. File notation areas are an indication of areas where the Government has proposed some change of land tenure that is being considered or endorsed by DMP for possible implementation and/or areas of some sensitivity to activities by the mineral resource industry that warrants the application of specific tenement conditions.

90. The Searches revealed the following file notation areas which affect the Tenements:

Project	Tenement	FNA	Description	Overlap
South-West Silica Project	E70/5455 (application)	12235	Amended to boundary of Lot 3743 due to encroachment on Lot 2.	0.24%
		14940	Proposed closure of portion of unmade road No. 8322 for amalgamation into adjoining freehold Lot 4335.	0.1%
	E70/5682	13357	Proposed amalgamation of closed road (unallocated crown land) into adjoining lots 7821 & 8258.	0.05%
		12004	Amalgamation of unallocated crown land into private freehold Lot 10914.	0.13%
	E70/5745	8902	Proposed State Forest.	0.01%
		9667	Proposed disposal of unallocated crown land Lot 10926.	0.26%
	E70/5920	3627	Inclusion of Part Nelson LOC 12655 into Yarnup Nature Reserve A29601 (Review)	1.66%
Argyle Silica Project	E80/5629 (application)	10031	Proposed freehold conversion of Lease K954892	4.99%
		11560	Water pipeline easement	<0.01%
		12437	Amalgamation of R33562 into lease for freehold land	0.19%
		8642	Application for an occupation licence under Section 91 of the Land Act for use of Reserves 33560, 33561 & 33562.	0.28%
	E80/5652 (application)	13706	Proposed leasehold with option to freehold for agricultural development	15.53%
		2831	Aboriginal Community Living Area: Kununurra – Yuna Springs	0.34%
		2832	Aboriginal Community Living Area: Kununurra – Yuna Springs	0.25%
		5712	Miriuwung Gajerrong People – Reserve 1063 & Part Pastoral Lease to Freehold	3.82%
Esperance Silica Project	E63/2138 (application)	13989	Proposed creation of Reserve and Management Order to DPIRD for extension of the State Barrier Fence	0.55%
		15027	Proposed additions to Peak Charles National Park (Class "A" Reserve)	83.01%
	E63/2137	15281	Proposed Excision of portions of Reserve 4180 being portion of Lots 971 and 2201 and excision of portion of Reserve 24486 being portions of Lots 2183 for creation of a new reserve over lots 383, 375, 377 and 700 with Management Order to Water Corporation Highest priority extraction areas for BRM. SGS identified by DMIRS as strategic, long-term supplies of BRM requiring protection.	13.91%
		15458		33.44%

91. Should the above file notation areas become declared crown land, national park, nature or other reserve areas, the affected granted Tenements will be subject to the same or similar conditions or endorsements usually associated with the land encroachments of that nature. Any Tenement applications, if grant, will also likely be subject to the same or similar restrictions.

Water Catchment Areas

92. Surface Water Areas:

- (a) The Rights in Water and Irrigation Act 1914 provides the Governor of Western Australia the power to proclaim, or prescribe through regulation, a Surface Water Area.

A Surface Water Area is proclaimed for the purposes of regulating the taking of water from watercourses and wetlands. An area is proclaimed, or prescribed through regulations, where there is a need for systematic management of the use of water. The proclamation is made on the recommendation of the Department of Water and must first be tabled before both Houses of Parliament. Proclaiming or prescribing an area has the effect of allowing the use of water for commercial activity under a licence. Where an area has been proclaimed, the provisions of Division 1B of Part III of the Act apply to surface water in that area.

- (b) The following surface water areas were identified over the Tenements:

Project	Tenement	Description
South-West Silica Project	E70/5455 (application)	Warren River and Tributaries Surface Water Area
	E70/5682	
	E70/5745	
	E70/5447 (93.07%)	
	E70/5527	
	E70/5920 (29.37%)	
Argyle Silica Project	E80/5629 (application)	Ord River and Tributaries Surface Water Area
	E80/5652 (application) (91.59% encroachment)	
	E80/5524	

- (c) Given the encroachments over the Warren River and Ord River Surface Water Areas, the granted Tenements in the South-West Silica and Argyle Silica Projects are subject to endorsements specific to an area of this nature (refer to the Schedule for further details). If granted, it is likely that E70/5455, E80/5629 and E80/5652 will be subject to the same or similar endorsements.

94. Ground Water Areas:

- (a) Groundwater is a reserve of water beneath the earth's surface in pores and crevices of rocks and soil. Recharge of groundwater aquifers is slow and can take many years. Groundwater often supports wetland and stream ecosystems. Groundwater areas are proclaimed under the Rights in Water and Irrigation Act, 1914. There are 45 proclaimed groundwater areas in Western Australia where licences are required to construct or alter a well and to take groundwater. The Department of Water is responsible for managing proclaimed areas under the Act.

- (b) The following ground water areas were identified in the Tenements:

Project	Tenement(s)	Description
Argyle Silica Project	E80/5629 (application)	Canning-Kimberley Groundwater Area
	E80/5652 (application)	
	E80/5524	
Esperance Silica Project	E63/2138 (application)	Nil
	E63/2137	Esperance Groundwater Area (67.82%)
	E63/2139	Nil

- (c) The granted Tenements which encroach on ground water areas are subject to endorsements restricting the taking of groundwater unless a licence is issued by the Department of Water (refer to the Schedule for further details). If granted, the pending Tenement applications are likely to be subject to the same or similar endorsements.

Road Reserves

95. The Searches reveal that a number of the Tenements overlap with road reserves:

Project	Tenement(s)	Road Reserves
South-West Silica Project	E70/5455 (application)	Kinkin Road, Langley Road, Marloo Road, Wheatley Coast Road, others
	E70/5682	Angels Road, Austin Road, Black Georges Road, Dezotti Road, Irish point Road, Kuranda Road, Middlesex Road, Piano Gully Road, Pipe Clay Gully Road, South Western Highway, Starkies Road, Towie Road, Vic Road, others
	E70/5745	Angels Road, Black Georges Road, Franklin Road, Keegans Road, Middlesex Road, No. 1057, Smith Brook Road, others
	E70/5447	Cowerup Road, Red lake Road
	E70/5527	Noobijup Road, Pindicup Road, Unicup Road
	E70/5920	No. 6490, No. 7292, Wingebellup Road, Yarnup Road
Argyle Silica Project	E80/5629 (application)	Great Northern Highway
	E80/5652 (application)	Victoria Highway
	E80/5524	Nil
Esperance Silica Project	E63/2138 (application)	Machens Road, Old Kens Road, Poverty Lane Road, others
	E63/2137	Bates Road, Wright Road, others
	E63/2139	No. 7219, Old Kens Road, Poverty lane Road, Spratlings Road

96. Mining activities on any road, road verge or road reserve are usually confined to below a depth of 15 metres from the natural surface. For highways and other major roads, special conditions may apply (refer to the Schedule for further details).

Material Contracts and Agreements

Cabbage Spot Sale Agreement

97. The Company entered into an agreement with Pathfinder Exploration Pty Ltd (ACN 009 214 859) and Norvale Pty Ltd (ACN 009 333 742) (**Sellers**) pursuant to which the Company acquired E80/5524 (**Sale Agreement**). The key terms of the Sale Agreement are summarised in section 14.2 of the Prospectus.
98. The Company has advised that a transfer in registrable form in respect of E80/5524 has been executed and lodged with the Department of Mines and Petroleum, and stamp duty has been assessed on the transfer. As the transfer is being requested within the first 12 months of the Tenement's term, consent of the Minister is required for the transfer. The Company has advised that it applied for such consent when lodging the transfer, together with the required supporting documentation. The transfer (including consent for Ministerial consent) is pending processing, which is expected to be completed shortly.

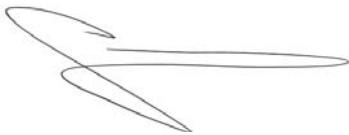
Other Material Agreements

99. There are various other agreements affecting the Tenements, which are set out in more detail in this Report including ILUAs (refer to Paragraph 27), aboriginal heritage agreements (refer to Paragraph 44) and compensation agreements (refer to Paragraph 53).

Conclusion

This Report has been prepared for the purposes of the Prospectus only. We consider that this Report provides an accurate statement of the status of the Tenements as at the date of the searches outlined in paragraph 8 above. Please contact us if you have any further queries.

Yours faithfully



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ALLUP SILICA LIMITED – SCHEDULE OF TENEMENTS**South-West Silica Project**

Tenement	Status	Holder	Grant Date	Expiry Date	Area (Ha)	Annual Rent	Minimum Expenditure	E & C	Aboriginal Heritage	Native Title
E70/5455 (Antwalker)	Pending	Allup Silica Limited	Pending Applied for 15/05/2020	Pending	1,132.32	\$552 (pending grant)	To be confirmed once granted	To be confirmed once granted	HSA 102273 1 HSA 102074 1 HSA 104000 1	WAD 6286/1998 Wagyl Kaip (Claimed) (100% tenement area)
E70/5682 (Pipeday Tree)	Live	Allup Silica Limited	11/05/2021	10/05/2026	1,700.71	\$846 (paid in full for 2022)	Commitment for current year end 10/05/2022 \$20,000	Endorsements 1(d), 2, 3, 6, 7, 10, 11, 12 Conditions 1, 2, 3, 12, 14, 15, 16, 17, 18, 19, 20, 21, 22	HSA 27218 1 HSA 102073 1 HSA 102074 1 HSA 104000 1 Other heritage area 5772: Manjimup, no gender restrictions, artefacts/scatter, camp	WAD 253/2006 South West Boojarah #2 (Claimed) (100% tenement area)
E70/5745 (Pipeday Tree)	Live	Allup Silica Limited	24/05/2021	23/05/2026	1700.03	\$846 (paid in full for 2022)	Commitment for current year end 23/05/2022 \$20,000	Endorsements 1(d), 2, 3, 7, 10, 11, 12(a) - 12(b) Conditions 1, 2, 3, 12, 21, 22, 23, 24, 25, 26	HSA 102073 1 HSA 102074 1 HSA 104000 1 HSA 201031 7 Other heritage area 4569: Manjimup Ceremonial Grounds (Mica Hill), no gender restrictions, ceremonial, historical, camp, meeting place	WAD 253/2006 South West Boojarah #2 (Claimed) (100% tenement area)
E70/5447 (Unicup)	Live	Allup Silica Limited	14/12/2020	13/12/2025	2,264.77	\$1,168 (paid in full for 2022)	Commitment for current year end 13/12/2022 \$20,000	Endorsements 1(d), 2, 3, 7, 12, 13 Conditions 1, 2, 3, 12, 27, 28	Registered Aboriginal Site 5733 (Red Lake/Lake Muir) Registered Aboriginal Site 5784 (Cowerup Swamp)	WAD 6134/1998 Southern Noongar (Claimed) (100% tenement area)

Tenement	Status	Holder	Grant Date	Expiry Date	Area (Ha)	Annual Rent	Minimum Expenditure	E & C	Aboriginal Heritage	Native Title	
									Registered Aboriginal Site 5785 (Coverup Swamp, Lake Muir)	WI 2017/014 Wagyl Kaip & Southern Noongar Indigenous Land Use Agreement (100% tenement area)	
E70/5527 (Unicup)	Live	Allup Silica Limited	25/02/2021	24/02/2026	2,265.58	\$1,128 (paid in full for 2022)			HSA 18207 1 HSA 20295 1 HSA 102073 1 HSA 102074 1 HSA 102231 1 HSA 103786 1 HSA 104000 1	Other heritage area 21909: Yeriminup/Frankland Hunting and Camping Areas, no gender restrictions, camp/hunting place	WAD 6134/1998 Southern Noongar (Claimed) (100% tenement area)
E70/5920 (Unicup)	Live	Allup Silica Limited	17/11/2021	16/11/2026	5,097.90	\$2,628 (paid in full for 2022)			Endorsements 1(d), 2, 3, 7, 10, 11, 12, 14, 15 Commitment for current year end 24/02/2022 \$20,000	Other heritage area 21909: Yeriminup/Frankland Hunting and Camping Areas, no gender restrictions, camp/hunting place	WAD 6286/1998 Wagyl Kaip (Claimed) (100% tenement area)
										WI 2017/014 Wagyl Kaip & Southern Noongar Indigenous Land Use Agreement (100% tenement area)	
										WAD 6134/1998 Southern Noongar (Claimed) (100% tenement area)	
										WAD 6286/1998 Wagyl Kaip (Claimed) (100% tenement area)	

Tenement	Status	Holder	Grant Date	Expiry Date	Area (Ha)	Annual Rent	Minimum Expenditure	E & C	Aboriginal Heritage	Native Title
									Other heritage area 21906: Frankland River, no gender restrictions, historical, mythological camp, hunting place, water source	WI 2017/014 Wagyl Kaip & Southern Noongar Indigenous Land Use Agreement (100% tenement area)

Argyle Silica Project

Tenement	Status	Holder	Grant Date	Expiry Date	Area (Ha)	Annual Rent	Minimum Expenditure	E & C	Aboriginal Heritage	Native Title
E80/5629 (Nearby Post)	Pending	Allup Silica Limited	Pending Applied for 17/05/2021	Pending	16,100.23	\$6,909 (pending grant)	To be confirmed once granted	To be confirmed once granted	Registered Aboriginal Site 12983 (Wanambbam) Registered Aboriginal Site 15152 (Nganjjuwarrm – Dunham River)	WAD 268/2010 Yurriyangem Taam (Determined) (100% tenement area)
E80/5652 (Big Cecil)	Pending	Allup Silica Limited	Pending Applied for 30/06/2021	Pending	6,581.91	\$2,820 (pending grant)	To be confirmed once granted	To be confirmed once granted	Other heritage places 12452: Dunhan River Ford, no gender restrictions, artefacts/scatter	WAD 6001/1995 Minituwung Gajerrong (Western Australia) (Determined) (3.33% tenement area)

Tenement	Status	Holder	Grant Date	Expiry Date	Area (Ha)	Annual Rent	Minimum Expenditure	E & C	Aboriginal Heritage	Native Title
										WAD 124/2004 Mirriuwung Gajerrong #4 (Determined) (96.3% tenement area)
E80/5524 (Cabbage Spot)	Live	Pathfinder Exploration Pty Ltd (50%)	26/08/2021	25/08/2026	1,642.30	\$705 (paid in full for 2022)	Commitment for current year end 25/08/2022 \$15,000	Endorsements 1(d), 2, 3(a) - 3(f), 4, 5, 6 Conditions 1, 2, 3, 4, 5, 6	HSA 17591 2 HSA 19339 1	WAD 268/2010 Yurriyangem Taam (Determined) (100% tenement area)

Esperance Silica Project

Tenement	Status	Holder	Grant Date	Expiry Date	Area (Ha)	Annual Rent	Minimum Expenditure	E & C	Aboriginal Heritage	Native Title
E63/2138 (Pink Bark)	Pending	Allup Silica Limited	Pending Applied for 02/09/2021		4,888.58	\$2,482 (pending grant)	To be confirmed once granted	To be confirmed once granted		WAD 2014/002 The Esperance Nyungars (Determined) (100% tenement area)
E63/2137 (Dune Buggy)	Live	Allup Silica Limited	4/11/2021	03/11/2026	4,847.10	\$2,482 (paid in full for 2022)	Commitment for current year end 03/11/2022 \$20,000	Endorsements 1(d), 2, 3(a) - 3(f), 6, 7, 8, 9 Conditions 1, 2, 3, 8, 9, 10, 11, 12, 13	WI 2014/006 Esperance Nyungar Government ILUA (100% tenement area)	WAD 2014/002 The Esperance Nyungars (Determined) (100% tenement area)

Tenement	Status	Holder	Grant Date	Expiry Date	Area (Ha)	Annual Rent	Minimum Expenditure	E & C	Aboriginal Heritage	Native Title
E63/2139 (Pink Bark)	Live	Allup Silica Limited	26/10/2021	25/10/2026	5,174.40	\$2,628 (paid in full for 2022)	Commitment for current year end 25/10/2022 \$20,000	1(d) 2 3(a) - 3(f) 7 Conditions 1, 2, 3, 7, 8	Endorsements Registered Aboriginal Site 1981 (Rollands Road)	WAD 2014/002 The Esperance Nyungars (Determined) (100% tenement area) WI 2014/006 Esperance Nyungar Government ILUA (100% tenement area)

Endorsements

1. The Licensee's attention is drawn to the provisions of the Aboriginal Heritage Act 1972 and:
 - (a) any 11/07/2017 Regulations thereunder.
 - (b) any 05/07/2018 Regulations thereunder.
 - (c) any 12/12/2017 Regulations thereunder.
 - (d) any Regulations thereunder.
2. The Licensee's attention is drawn to the Environmental Protection Act 1986 and the Environmental Protection (Clearing of Native Vegetation) Regulations 2004, which provides for the protection of all native vegetation from damage unless prior permission is obtained.
3. In respect to Water Resource Management Areas (WRMA) the following endorsements apply:
 - (a) The Licensee attention is drawn to the provisions of the:
 - i. Waterways Conservation Act, 1976
 - ii. Rights in Water and Irrigation Act, 1914
 - iii. Metropolitan Water Supply, Sewerage and Drainage Act, 1909
 - iv. Country Areas Water Supply Act, 1947
 - v. Water Agencies (Powers) Act 1984

- (b) The rights of ingress to and egress from, and to cross over and through, the mining tenement being at all reasonable times preserved to officers of Department of Water for inspection and investigation purposes.
- (c) The storage and disposal of petroleum hydrocarbons, chemicals and potentially hazardous substances being in accordance with the current published version of the Departments of Water and Environmental Regulation's relevant Water Quality Protection Notes and Guidelines for mining and mineral processing.
- (d) The taking of groundwater from an artesian well and the construction, enlargement, deepening or altering of any artesian well is prohibited unless current licences for these activities have been issued by Department of Water and Environmental Regulation (DWER).
- (e) Measures such as drainage controls and storm water retention facilities are to be implemented to minimize erosion and sedimentation of adjacent areas, receiving catchments and waterways.
- (f) All activities to be undertaken so as to avoid or minimize damage, disturbance or contamination of waterways, including their beds and banks, and riparian and other water dependent vegetation.
4. In respect to Proclaimed Surface Water Areas (Ord River and Tributaries), Irrigation District Areas and Rivers (RIVI Act) the following endorsements apply:
- (a) The taking of surface water from a watercourse or wetland is prohibited unless a current licence has been issued by the Department of Water and Environmental Regulation (DWER).
- (b) Advice shall be sought from the Department of Water and Environmental Regulation (DWER) and the relevant water service provider if proposing exploration activity in an existing or designated future irrigation area, or within 50 meters of a channel, drain or watercourse from which water is used for irrigation or any other purpose, and the proposed activity may impact water users.
- (c) No exploration activity is to be carried out if:
- i. It may obstruct or interfere with the waters, bed or banks of a watercourse or wetland.
 - ii. It related to the taking or diversion of water including the diversion of the watercourse or wetland.
- Unless in accordance with a permit issued by the Department of Water an Environmental Regulation
5. In respect to Proclaimed GroundWater (Canning-Kimberley) Areas the following endorsement applies:
- (a) The taking of groundwater and the construction or altering of any wells is prohibited without current licences for these activities issued by the Department of Water, unless an exemption otherwise applies.
6. In respect to Public Drinking Water Source Areas (PDWSA) the following endorsement applies:
- (a) All activity within proclaimed public drinking water source areas shall comply with the current published version of the DWER Quality Protection Note 25 Land Use Compatibility in Public Drinking Water Source Areas. Key issues that need to be considered within the Water Quality Protection Note are:

- i. All exploration involving the storage, transport and use of toxic and hazardous substances (including human waste) within public drinking water sources areas being prohibited unless approved in writing by the DWER.
 - ii. Seek written advice from the DWER if handling, storing and/or using hydrocarbons and potentially hazardous substances.
7. The Licensee's attention is drawn to the provisions of section 55 of the Land Administration Act 1997.
8. The land the subject of the licence may affect a Threatened Ecological Community. The licensee is advised to contact the Department of Biodiversity Conservation and Attractions (DBCA) Threatened Species and Communities Unit for further information on this Threatened Ecological Community.
9. In relation to Proclaimed Ground Water Area 16 (GWA 16 Esperance) the following endorsement applies:
 - (a) the taking of groundwater and the construction or altering of any well is prohibited without current licences for these activities issued by the DWER, unless an exemption otherwise applies.
10. The grant of this licence is restricted to gold, silver and precious metals in respect to private land which was alienated from the Crown prior to 1 January 1899.
11. In respect to the Clearing Control Catchment (Warren River) (CAWSA) the following endorsement applies:
 - (a) Clearing of any area of vegetation is prohibited within Warren River without appropriate licensing from DWER.
12. In respect to Proclaimed Surface Water Area (Warren River and Tributaries), Irrigation District Areas and Rivers (RIWI Act) the following endorsements apply:
 - (a) The taking of surface water from a watercourse or wetland is prohibited unless a current licence has been issued by the Department of Water and Environmental Regulation (DWER).
 - (b) Advice shall be sought from the Department of Water and Environmental Regulation (DWER) and the relevant water service provider if proposing exploration activity in an existing or designated future irrigation area, or within 50 meters of a channel, drain or watercourse from which water is used for irrigation or any other purpose, and the proposed activity may impact water users.
 - (c) No exploration activity is to be carried out if:
 - i. It may obstruct or interfere with the waters, bed or banks of a watercourse or wetland.
 - ii. It related to the taking or diversion of water including the diversion of the watercourse or wetland.
13. Unless in accordance with a permit issued by the Department of Water an Environmental Regulation By approval the grant of this licence is amended to include Lot 12673 on Deposited Plan 208993 to a depth of 30 metres from the natural surface.

14. In respect to Public Drinking Water Source Areas (PDWSA) (Warren River Water Reserve) the following endorsement applies:
- (a) All activity within proclaimed public drinking water source areas shall comply with the current published version of the DWER Quality Protection Note 25 Land Use Compatibility in Public Drinking Water Source Areas. Key issues that need to be considered within the Water Quality Protection Note are:
- i. All exploration involving the storage, transport and use of toxic and hazardous substances (including human waste) within public drinking water sources areas being prohibited unless approved in writing by the DWER.
 - ii. Seek written advice from the DWER if handling, storing and/or using hydrocarbons and potentially hazardous substances.
15. Private Land:
- (a) Amending the grant of this licence to include Lot 12651 on Deposited Plan 208989 and Lots 12676, 12658 and 12659 on Deposited Plan 208992 to a depth of 30 metres from the natural surface.
16. The land the subject of this licence affects Threatened and Priority Flora (including Rare Flora sites 95578, 100613 and 100614) declared under the *Biodiversity Conservation Act 2016*. The Licensee is advised to contact the Department of Biodiversity Conservation and Attractions to receive population details and information on the management of Threatened and Priority Flora present within the tenement area.

Conditions

1. All disturbances to the surface of the land made as a result of exploration, including costeans, drill pads, grid lines and access tracks, being backfilled and rehabilitated to the satisfaction of the Environmental Officer, Department of Mines, Industry Regulation and Safety. Backfilling and rehabilitation being required no later than 6 months after excavation unless otherwise approved in writing by the Environmental Officer, Department of Mines, Industry Regulation and Safety.
2. All waste materials, rubbish, plastic sample bags, abandoned equipment and temporary buildings being removed from the mining tenement prior to or at the termination of exploration program.
3. Unless the written approval of the Environmental Officer, Department of Mines, Industry Regulation and Safety is first obtained, the use of drilling rigs, scrapers, graders, bulldozers, backhoes or other mechanized equipment for surface disturbance or the excavation of costeans is prohibited. Following approval, all topsoil being removed ahead of mining operations and separately stockpiled for replacement after backfilling and/or completion of operations.
4. The Licensee notifying the holder of any underlying pastoral or grazing lease by telephone or in person, or by registered post if contact cannot be made, prior to undertaking airborne geophysical surveys or any ground disturbing activities utilizing equipment such as scrapers, graders, bulldozers, backhoes, drilling rigs, water carting equipment or other mechanized equipment.
5. The Licensee or transferee, as the case may be, shall within thirty (30) days of receiving written notification of:
 - i. the grant of the Licence; or
 - ii. the registration of a transfer introducing a new Licensee;

- advise, by registered post, the holder of any underlying pastoral or grazing lease details of the grant or transfer.
6. Consent to explore on Dunham River Catchment Area granted.
 7. The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Conservation of Flora and Fauna Reserve 43221.
 8. Due to the application of the Esperance Nyungar Government Indigenous Land Use Agreement (relevant ILUA) applies to this exploration licence, the licensee must before exercising any of the rights, powers or duties pursuant to the licence over that portion of the area of land the subject of the relevant ILUA, execute and enter into, in respect of the licence, one of the following types of agreements and maintain such agreement for the term of the licence:
 - (a) An Aboriginal Heritage Agreement as defined in the relevant ILUA with the Esperance Nyungar Native Title Group;
 - (b) At the election of the Esperance Nyungar Native Title Group, a Regional Standard Aboriginal Heritage Agreement as defined in the relevant ILUA with the Esperance Nyungar Native Title Group;
 - (c) A PSHA as defined in the relevant ILUA with the Esperance Nyungar Native Title Group; or
 - (d) A Proponent Access Deed as defined in the relevant ILUA; and
 - Provide to the Minister for Mines, Industry Regulation and Safety (DMIRS) a statutory declaration from the licensee (where the licensee is a corporation, from a director of that corporation on its behalf) in the form contained in schedule 6 to the relevant ILUA as evidence that:
 - (e) The licensee has complied with the requirements of paragraphs (a) - (c) of this condition; or
 - (f) The licensee has complied with the requirements of paragraph (d) of this condition, in circumstances where the Esperance Nyungar Native Title Group did not make an election under paragraph (b) and the licensee made reasonable endeavours to enter into an agreement as contemplated in paragraphs (a) and (c) of this condition but was unable to do so within 60 Business Days of the later date of the grant of this licence or the date on which the Esperance Nyungar Native Title Group received notification of such grant under clause 9.6 of the relevant ILUA.
 9. No interference with Geodetic Survey Station SSM-Esperance 183 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
 10. The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Flora Reserve 24486 and Recreation Dune Buggies and Trail Bikes Reserve 34777.
 11. The prior written consent of the Minister responsible for the Mining Act 1978 being obtained, with the concurrence of the Minister for Environment, before entering or commencing any prospecting or exploration activity on Water and Conservation of Flora and Fauna Reserve 35557.
 12. In areas of native vegetation within the tenement, no exploration activities commencing until the licensee provides a plan of management to prevent the spread of dieback disease (*Phytophthora* species) to the Executive Director, Resource and Environmental Compliance, DMIRS for assessment and until the written approval of the Executive Director has been received. All exploration activities shall then comply with the commitment made in the management plan.

13. Consent to mine on Esperance Water Reserve 10 granted.
14. No excavation, excepting shafts, approaching closer to the South Western Highway, Highway verge or the road reserves than a distance equal to twice the depth of the excavation and mining on the South Western Highway or Highway verge being confined to below a depth of 30 metres from the natural surface.
15. The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Gravel Reserves 19670 and 22962, Recreation Reserve 20574, Agricultural Research Station Reserve 42836, Forest/Timber Reserve O15/25 and State Forest 36.
16. No interference with Geodetic Survey Stations PEMBERTON 108, 287 and 288 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
17. No interference with the transmission line or the installations in connection therewith, and the rights of ingress to and egress from the facility being at all times preserved to the owners thereof.
18. Mining within a radius of 150 metres of any Australian Telecommunication Commission microwave repeater station being confined to below a depth of 60 metres from the natural surface.
19. No interference with the Australian Telecommunications Commission microwave repeater station ray-line.
20. The prior written consent of the Minister responsible for the Mining Act 1978 being obtained, with the concurrence of the Minister for Environment, before entering or commencing any prospecting or exploration activity on National Park Reserve 18705.
21. In respect of the grant to the licensee of the Licence, the Native Title Group's consent pursuant to clause 18 of Schedule 10 of the South West Boajarah #2 Indigenous Land Use Agreement(s) (relevant ILUA) to such grant is, as a condition precedent, subject to the DMIRS imposing the following condition:
 - (a) Due to the application of the South West Boajarah #2 Indigenous Land Use Agreement (relevant ILUA) applies to this exploration licence, the licensee must before exercising any of the rights, powers or duties pursuant to the licence over that portion of the area of land the subject of the relevant ILUA:
 - i. Subject to paragraph (ii) execute and enter into, in respect of the licence, one of the following types of agreements and maintain such agreement for the term of the licence an Aboriginal Heritage Agreement as defined in the relevant ILUA with the Native Title Agreement Group or Regional Corporation (as the case requires) for the relevant ILUA on terms and conditions agreed by the licensee and the Native Title Agreement Group or Regional Corporation (as the case may be) for the relevant ILUA (the Parties) or, failing such agreement being reached between the Parties within 20 Business Days of the commencement of negotiations, execute and enter into a NSHA subject only to any necessary modifications in terminology required for the tenure;
 - ii. Where:
 - (A) The parties have been unable to reach agreement on the terms and conditions of an Aboriginal Heritage Agreement under paragraph (i); and
 - (B) The licensee executes a NSHA (subject only to any necessary modifications in terminology required for the tenure); and
 - (C) The licensee provides a copy of the NSHA to the Native Title Agreement Group or Regional Corporation (as the case requires) for the relevant ILUA for execution; if the Native Title Agreement Group or Regional Corporation (as the case requires) does not execute the NSHA and provide a copy of the executed NSHA to the licensee within 20 Business Days of receipt of the NSHA, the requirements of paragraph (i) do not apply; and

- iii. provide to the DMIRS a statutory declaration from the licensee (or if the licensee is a corporation, from a director of that corporation on its behalf) in the form contained in Annexure U to the Settlement Terms (as defined in the relevant ILUA) as evidence that the licensee has complied with the requirements of paragraph (i) of this conditions or that paragraph (ii) of this condition applies.
- 22. Consent to mine on Warren River Water Reserve 26 granted.
- 23. The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Emergency Services Site and Quarry Shale Reserve 29595.
- 24. The prior written consent of the Minister responsible for the Mining Act 1978 being obtained, with the concurrence of the Minister for Environment, before entering or commencing any prospecting or exploration activity on National Park 18705, State Forest 38 and Conservation of Flora and Fauna Act 117-1981 Reserve 14063.
- 25. No interference with Geodetic Survey Stations PEMBERTON 28, 29, 30, 31, 36, 84 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
- 26. No interference with the transmission line (Manjimup to Yornup Tee) or the installations in connection therewith, and the rights of ingress to and egress from the facility being at all times preserved to the owners thereof.
- 27. The prior written consent of the Minister responsible for the Mining Act 1978 being obtained, with the concurrence of the Minister for Environment, before entering or commencing any prospecting or exploration activity on Water & Conservation of Flora & Fauna Reserve 26679 and Conservation of Flora & Fauna Reserve 33455.
- 28. In respect of the grant to the Licensee of the Licence, the Native Title Group's consent pursuant to clause 1.8 of Schedule 10 of the Wagyl Kalp & Southern Noongar Indigenous Land Use Agreement(s) (relevant ILUA) to such grant is, as a condition precedent, subject to the DMIRS imposing the following condition:
 - (a) Due to the application of the Wagyl Kalp & Southern Noongar Indigenous Land Use Agreement (relevant ILUA) applies to this exploration licence, the licensee must before exercising any of the rights, powers or duties pursuant to the licence over that portion of the area of land the subject of the relevant ILUA:
 - i. Subject to paragraph (ii) execute and enter into, in respect of the licence, one of the following types of agreements and maintain such agreement for the term of the licence an Aboriginal Heritage Agreement as defined in the relevant ILUA with the Native Title Agreement Group or Regional Corporation (as the case requires) for the relevant ILUA on terms and conditions agreed by the licensee and the Native Title Agreement Group or Regional Corporation (as the case may be) for the relevant ILUA (the Parties) or, failing such agreement being reached between the Parties within 20 Business Days of the commencement of negotiations, execute and enter into a NSHA subject only to any necessary modifications in terminology required for the tenure;
 - ii. Where:
 - (A) The Parties have been unable to reach agreement on the terms and conditions of an Aboriginal Heritage Agreement under paragraph (i); and
 - (B) The licensee executes a NSHA (subject only to any necessary modifications in terminology required for the tenure); and
 - (C) The Licensee provides a copy of the NSHA to the Native Title Agreement Group or Regional Corporation (as the case requires) for the relevant ILUA for execution; if the Native Title Agreement Group or Regional Corporation (as the case requires) does not execute the NSHA and provide a copy of the executed NSHA to the licensee within 20 Business Days of receipt of the NSHA, the requirements of paragraph (i) do not apply; and

- iii. provide to the DMIRS a statutory declaration from the licensee (or if the licensee is a corporation, from a director of that corporation on its behalf) in the form contained in Annexure U to the Settlement Terms (as defined in the relevant ILUA) as evidence that the licensee has complied with the requirements of paragraph (i) of this conditions or that paragraph (ii) of this condition applies.
29. The prior written consent of the Minister responsible for the Mining Act 1978 being obtained, with the concurrence of the Minister for Environment, before entering or commencing any prospecting or exploration activity on Conservation and Flora and Fauna Reserves 25798 and 33455; Water and Conservation of Flora and Fauna Reserves 26679 and 26680.
30. The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Recreation Reserve 27270.
31. No interference with Geodetic Survey Stations PEMBERTON 281 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
32. No interference with the use of the Aerial Landing Ground and mining thereon being confined to below a depth of 15 metres from the natural surface.
33. The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Water and Conservation of Flora and Fauna Reserve 25601 and Government Requirements Reserve 35307.

11

FINANCIAL INFORMATION



11.1 The Offer and Minimum Subscription

The financial information set out in this Section includes the following:

Historical financial information, being the;

- summary historical statement of profit or loss and other comprehensive income for Allup Silica Limited (Allup or the Company) for the period from 1 July 2018 to 30 June 2021 (the Period to 30 June 2021);
- summary historical statement of financial position for Allup as at 30 June 2021;
- summary historical statements of cash flows for Allup for the Period 1 July 2018 to 30 June 2021 (the Period to 30 June 2021); and

Pro forma financial information, being the;

- the pro forma statements of financial position (defined below) at 30 June 2021 and supporting notes which includes the pro forma transactions, subsequent events, consolidation adjustments and capital raising.

All amounts disclosed in the tables in this Section are presented in Australian Dollars and, unless otherwise noted, are rounded to the nearest thousand dollars. Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any discrepancies between totals and sum of components in figures contained in this Prospectus are due to rounding.

The Historical and Pro Forma Financial Information should be read together with the other information contained in this Prospectus, including:

- management discussion and analysis set out in this Section;
- the risk factors described in Section 13;
- the Independent Assurance Report on the Historical and Pro Forma Financial Information set out in Section 12; and
- the other information contained in this Prospectus.

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

11.2 Basis of Preparation of the Historical and Pro Forma Financial Information

Background

The Historical and Pro Forma Financial Information included in this Section has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with the International Financial Reporting Standards (**IFRS**), issued by the International Accounting Standards Board (**IASB**).

The Historical and Pro Forma Financial Information is presented in an abbreviated form insofar as it does not include all the presentation, disclosures, statements or comparative information as required by Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act. Significant accounting policies applied to the Historical and Pro Forma Financial Information are noted in Section 11.14 under the heading 'Significant Accounting Policies'. The accounting policies of the Company have been consistently applied throughout the periods presented.

The general purpose financial statements of the Company are prepared in accordance with the Corporations Act, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with IFRS as issued by the International Accounting Standards Board.

Financial Information

Financial Information

The financial information has been reviewed and reported on by Moore Australia Corporate Finance (WA) Pty Ltd. Investors should note the scope and limitations of the Independent Assurance Report.

Please refer to the Independent Assurance Report contained in Section 12 for further information.

The audited financial statements (inclusive of significant accounting policies) of the Company for the years ended 30 June 2019 to 2021 are available (free of charge) on request to the Company on + 61 8 9278 8811 between 9.00am and 5.00pm (WST) Monday to Friday.

A pro forma historical statement of financial position as at 30 June 2021 is contained in Section 11.8.

The pro forma statement of financial position has been derived from the Company's audited historical statement of financial position as at 30 June 2021, after adjusting for the effects of any subsequent events and the pro forma adjustments described in Section 11.7. 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 Section 11.7, 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.

Shareholders should read the Independent Assurance Report in Section 12 in full before making any investment decision.

11.3 Historical Statements of Profit and Loss and other Comprehensive Income

The table below presents the summarised historical statements of profit or loss and other comprehensive income for the Periods 1 July 2018 to 30 June 2021.

	FY 30 June 2019	FY 30 June 2020	FY 30 June 2021
Revenue	-	-	-
Accounting, taxation, and audit	(2,000)	(4,000)	(9,576)
Corporate Advisory	-	(5,000)	(10,805)
Marketing and shareholder communications	-	-	(27,116)
Share-based payments	-	-	(122,640)
Administration expenses	-	(507)	(10,351)
Loss from operations	(2,000)	(9,507)	(180,488)
Loss before income tax	(2,000)	(9,507)	(180,488)
Income tax benefit / (expense)	-	-	-
Net Loss	(2,000)	(9,507)	(180,488)
Other comprehensive income / (loss) for the period, net of tax	-	-	-
Total comprehensive loss for the period	(2,000)	(9,507)	(180,488)

11.4 Management Discussion and Analysis of the Historical Financial Performance and Key Operating Metrics

Below is a discussion of the main factors which affected the operations and relative financial performance in the Period to 30 June 2021 of Allup Silica Limited. The discussion of these general factors is intended to provide a summary only and does not detail all factors that affected the company's historical operating and financial performance, nor everything which may affect operations and financial performance in the future.

During the period the Company conducted mineral exploration and evaluation activities. The Company spent money on its tenements in preparation for the future exploration programs intended. This includes environmental and other related works which are necessary for the government approvals required prior to conducting further investigations and evaluations. The Company continued to focus on minerals exploration of resources opportunities that have the potential to deliver value and growth for the Shareholders, within its Projects, by its own exploration and development activities. The Company also made payments for administration, marketing and other expenses.

Financial Information

11.5 Historical Statements of Cash Flows

The table below presents the summarised historical statements of cash flows for the Periods from 1 July 2018 to 30 June 2021.

	FY 30 June 2019	FY 30 June 2020	FY 30 June 2021
Cash Flows from Operating Activities	-	(708)	(144,913)
Cash Flows from Investing Activities	-	(10,841)	(136,142)
Cash Flows from Financing Activities			
Proceeds from Issue of Shares	-	5,400	1,066,649
Proceed from Loans	-	10,760	(9,760)
Net Cash Flow from Financing Activities	-	16,160	1,056,889
Net Increase in Cash and Cash Equivalents	-	4,611	775,834
Cash and Cash Equivalents at Beginning of the Financial Year	-	-	4,611
Cash and Cash Equivalents at End of the Financial Year	-	4,611	780,445

11.6 Historical Statement of Financial Position

The table below presents the summarised historical statement of financial position as at 30 June 2021, 30 June 2020 and 30 June 2019.

		30 June 2021	30 June 2020	30 June 2019
CURRENT ASSETS				
Cash and Cash Equivalents		780,445	4,611	-
Trade Receivables		19,608	202	1,000
Other Current Assets		71,862	-	-
TOTAL CURRENT ASSETS		871,915	4,813	1,000
Mineral Exploration and Evaluation		172,041	17,971	-
TOTAL NON-CURRENT ASSETS		172,041	17,971	-
TOTAL ASSETS		1,043,956	22,784	1,000
CURRENT LIABILITIES				
Trade Payables		40,262	18,131	2,000
Financial Liabilities		-	9,760	-
TOTAL CURRENT LIABILITIES		40,262	27,891	2,000
TOTAL NON-CURRENT LIABILITIES		-	-	-
TOTAL LIABILITIES		40,262	27,891	2,000
NET ASSETS/(LIABILITIES)		1,003,694	(5,107)	(1,000)
EQUITY				
Issued Share Capital		1,073,049	6,400	1,000
Reserves		122,640	-	-
Accumulated Losses		(191,995)	(11,507)	(2,000)
Equity attributable to owners of the Company		1,003,694	(5,107)	(1,000)
TOTAL (DEFICIT)/NET EQUITY		1,003,694	(5,107)	(1,000)

11.7 Pro Forma Financial Information

The Pro Forma Statement of Financial Position has been derived from the audited historical statement of financial position as at 30 June 2021, after reflecting the Directors' pro forma adjustments for the following subsequent events and other transactions which are proposed to occur immediately before or following completion of the Offer, as if they had occurred at 30 June 2021.

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The following pro forma adjustments have been made in relation to events subsequent to 30 June 2021:

- (a) On 23 July 2021 the Company issued 2,500,000 options to acquire fully paid ordinary shares exercisable at \$0.096 per share, to key executives, valued at \$131,049, which have been expensed.
- (b) The Company raised \$127,200 as a result of Options being exercised prior to the issue of the Prospectus;
- (c) The Company issued 2,000,000 Shares at \$0.02 per Share to raise \$40,000 and paid \$Nil in fees prior to the issue of the Prospectus;
- (d) The Company issued 4,000,000 Shares at \$0.10 per Share to raise \$400,000 and paid \$24,000 in fees prior to the issue of the Prospectus;
- (e) The Company issued 530,000 Shares at a deemed issue price of \$0.20 relating to settlement of a tenement sale agreement;
- (f) The issue of 25,000,000 Shares at \$0.20 per Share to raise \$5,000,000 before costs, pursuant to the Offer;
- (g) The recognition of Advisor Option expense of \$443,603 and a debit to issued capital of \$443,603 and a credit to reserves of \$443,603 to record the fair value of 5,000,000 Advisor Options to be issued upon Completion of the Offer immediately vesting at a strike price of \$0.25 and an expiry date 42 months from the issue date; and
- (h) Cost of the Offer which are estimated as \$504,000, with \$318,400 debited to issued capital and the balance of \$185,600 to profit and loss.

With the exception of the subsequent events and pro forma transactions noted above no other material transactions have occurred between 30 June 2021 and the date of this Prospectus which the Directors consider require disclosure.

11.8 Pro Forma Historical Statement of Financial Position

The pro forma statement of financial position is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company's view of its future financial position.

	30 June 2021	Pro Forma Adjustments	Pro Forma 30 June 2021
CURRENT ASSETS			
Cash and Cash Equivalents	780,445	5,039,200	5,819,645
Trade Receivables	19,608	-	19,608
Other Current Assets	71,862	-	71,862
TOTAL CURRENT ASSETS	871,915		5,911,115
Mineral exploration and evaluation	172,041	106,000	278,041
TOTAL NON-CURRENT ASSETS	172,041	-	278,041
TOTAL ASSETS	1,043,956	-	6,189,156
CURRENT LIABILITIES			
Trade Payables	40,262	-	40,262
TOTAL CURRENT LIABILITIES	40,262	-	40,262
TOTAL NON-CURRENT LIABILITIES	-	-	-
TOTAL LIABILITIES	40,262	-	40,262
NET ASSETS	1,003,694		6,148,894
EQUITY			
Issued Share Capital	1,073,049	4,887,197	5,960,246
Reserves	122,640	574,652	697,292
Accumulated Losses	(191,995)	(316,649)	(508,644)
Equity attributable to owners of the Company	1,003,694		6,148,894
TOTAL NET EQUITY	1,003,694		6,148,894

The pro forma statement of financial position is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company's view of its future financial position.

11.9 Reviewed Pro Forma Cash and Cash Equivalents

The reviewed pro forma cash and cash equivalents has been set out below:

	Subsequent Event Adjustments	Pro Forma Adjustments	Pro Forma 30 June 2021
Audited Cash and Cash Equivalents at 30 June 2021	780,445		780,445
Pro forma Transactions			
Exercise of Options	127,200		127,200
Issue of Shares on Pre IPO raising	416,000		416,000
Proceeds from Shares issued under the IPO		5,000,000	5,000,000
Cost of the Offer		(504,000)	(504,000)
Pro forma Cash and Cash Equivalents	1,323,645		5,819,645

Non-claimable GST input credits have been included in the cost of the offer for the purposes of the Pro forma adjustments.

11.10 Equity

The reviewed pro forma equity has been set out below:

	Subsequent Event Adjustments	Pro Forma Adjustments	Pro Forma 30 June 2021
Audited equity at 30 June 2021	1,003,694		1,003,694
Pro forma Transactions			
Exercise of Options	127,200		127,200
Issue of Shares per Sale Agreement	106,000		106,000
Issue of Shares on Pre IPO raising	416,000		416,000
Issue of Shares through IPO		5,000,000	5,000,000
Costs of the Offer		(504,000)	(504,000)
Cost of Options	(574,652)		(574,652)
Reserves	574,652		574,652
Pro forma Equity	1,652,894		6,148,894

11.11 Number of Shares

The reviewed of Number of Share has been set out below:

	Subsequent Event Adjustments	Pro Forma Adjustments	Pro Forma 30 June 2021
Audited Shares at 30 June 2021	42,731,665		42,731,665
Exercise of Options	10,250,000		10,250,000
Issue of Shares per Sale Agreement	530,000		530,000
Issue of Shares on Pre IPO raising	6,000,000		6,000,000
Issue of Share through IPO		25,000,000	25,000,000
Pro forma Shares	59,511,665		84,511,665

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11.12 Accumulated Losses

The reviewed pro forma retained earnings have been set out below:

	Pro Forma Adjustments	Pro Forma 30 June 2021
Audited Accumulated Losses at 30 June 2021		(191,995)
Pro forma Transactions		
Offer Costs	(185,600)	(185,600)
Cost of Options	(131,049)	(131,049)
Pro forma Accumulated Losses		(508,644)

11.13 Non-current Assets

The reviewed pro forma non-current assets have been set out below:

	Pro Forma Adjustments	Pro Forma 30 June 2021
Audited Non-current Assets at 30 June 2021		172,041
Pro forma Transactions		
Issue of Shares per Sale Agreement	106,000	106,000
Pro forma Non-current Assets		278,041

11.14 Significant Accounting Policies

A summary of the significant accounting policies used in the preparation of the Historical and Pro Forma Financial Information in this Prospectus is set out below:

Basis of Preparation

The principal accounting policies adopted in the preparation of the financial statements are set out below.

(a) New or Amended Accounting Standards and Interpretations Adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(b) Basis of Preparation of Historical Financial Information

The historical and Pro Forma financial information has been prepared in accordance with the recognition and measurement, but not all the disclosure requirements of the Australian equivalents to International Financial Reporting Standards ('AIFRS'), other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

The financial information has also been prepared on a historical cost basis.

(c) Going Concern

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

The Directors believe that the Company will continue as a going concern. As a result, the financial information has been prepared on a going concern basis. However, should the fundraising under the Prospectus be unsuccessful, the entity may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the Company not continue as a going concern.

Financial Information

(d) Reporting Basis and Conventions

The report is also prepared on an accrual basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

(e) Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- (a) the initial recognition of goodwill; or
- (b) the initial recognition of an asset or liability in a transaction which:
 - i. is not a business combination; and
 - ii. at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the entity in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where:

- i. a legally enforceable right of set-off exists; and
- ii. the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Financial Information

(f) Fair Value of Assets and Liabilities

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(g) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the financial instrument. For financial assets, this is the date that the entity commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are recognised as expenses in profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less repayments made and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

Financial Information

Financial Assets at Fair Value Through Profit or Loss

Financial assets at fair value through profit or loss are stated at fair value, with any gains and losses arising on remeasurement recognised in profit and loss. The net gain or loss recognised in profit and loss includes any dividend or interest earned of the financial asset and is included in other gains and losses of the face of the statement of profit and loss and other comprehensive income.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Held-to-Maturity Investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Available-For-Sale Investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

Financial Liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

At the end of each reporting period the company assessed whether there is any objective evidence that a financial asset is impaired (other than financial assets classified as at fair value through profit or loss).

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

(h) Impairment of Assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116 : Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Financial Information

(i) Employee Benefits

Short-term Employee Benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position. The Company's obligations for employees annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other Long-term Employee Benefits

Provision is made for employees long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures. Upon the remeasurement of obligations due to changes in assumptions for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee benefits expense in the periods in which the changes occur.

The Company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(j) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown as borrowings in current liabilities on the statement of financial position.

(k) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred for more than one year is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax.

Financial Information

(l) Mineral Exploration and Evaluation Expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- (a) the rights to tenure of the area of interest are current; and
- (b) at least one of the following conditions are also met:
 - i. the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
 - ii. exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence, or otherwise, of economically recoverable reserves and active and significant operations in, or relation to, economically recoverable reserves are continuing.

Expenditure on tenement license applications is classified as an exploration and evaluation asset when incurred. If an application is rejected the application fee will be refunded and credited against the related exploration and evaluation asset. Other non-license application costs incurred are classified as Other Current Assets and transferred to Mineral Exploration and Evaluation in the Statement of Financial Position when the related tenement is granted. In the event that the related tenement is not granted, those costs are expensed in the Statement of Profit or Loss and Other Comprehensive Income at that time.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies. Exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortization of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

(m) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

(n) Trade and Other Payables

Trade and other payables are initially measured at fair value and subsequently measured at cost using the effective interest method.

Trade and other payables represent the liabilities for goods and services received by the Company that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Financial Information

(o) Borrowings

Trade Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

(p) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from financing and investing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(q) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Company retrospectively applies an accounting policy, makes a retrospective restatement of items in the financial statements or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

(r) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key Estimates

Impairment

The Company assesses impairment at the end of each reporting period by evaluating the conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations, which incorporate various key assumptions.

Recoverability of Capitalised Exploration and Evaluation Expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Company decides to exploit the related lease itself, or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

Financial Information

Shared Based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options and performance rights are determined using the Black-Scholes option pricing model and other similar valuation models as appropriate.

Coronavirus (COVID-19) Pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

11.15 New Accounting Standards not yet Effective

There are no forthcoming standards and amendments that are expected to have a material impact in the current or future reporting periods, or on foreseeable future transactions.

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INDEPENDENT ASSURANCE REPORT



Image of air-core drill rig on tenement E70/5447.

Independent Assurance Report



Moore Australia

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29 November 2021

The Directors of Allup Silica Limited
Ground Floor
18 Kings Park Road
WEST PERTH WA 6005

Dear Directors

Independent Assurance Report

1. Introduction

This report has been prepared at the request of the Directors of Allup Silica Limited (the "Company" or "Allup") for inclusion in a prospectus to be issued by the Company ("Prospectus") in respect of the proposed public offering of fully paid ordinary shares in the Company ("Capital Raising" or "the Offer") and the listing of the Company on the Australian Stock Exchange ("ASX").

Expressions defined in the Prospectus have the same meaning in this report.

The report does not address the rights attaching to the shares to be issued in accordance with the Offer, nor the risks associated with accepting the Offer. Moore Australia Corporate Finance (WA) Pty Ltd has not been requested to consider the prospects for Allup, nor the merits and risks associated with becoming a shareholder and accordingly has not done so, nor purports to do so.

Consequently, Moore Australia Corporate Finance (WA) Pty Ltd has not made and will not make any recommendation, through the issue of this report, to potential investors of the Company, as to the merits of the Offer and takes no responsibility for any matter or omission in the Prospectus other than responsibility for this report.

2. Scope of Report

The Directors of the Company have requested Moore Australia Corporate Finance (WA) Pty Ltd prepare an Independent Assurance Report on:

Historical Financial Information

The Directors have requested that Moore Australia Corporate Finance (WA) Pty Ltd review:

- The Historical Statement of Profit or Loss and other comprehensive income of Allup for the years ended 30 June 2019, 2020 and 2021;
- The Historical Statement of Cash flows of Allup for the years ended 30 June 2019, 2020 and 2021; and
- The Historical Statement of Financial Position of Allup as at 30 June 2019, 2020 and 2021;

which is collectively termed the "Statutory Historical Financial Information".

The Historical Financial Information is presented in an abbreviated form insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to financial reports in accordance with the *Corporations Act 2001*.

The Historical Financial Information has been extracted from the audited general purpose financial statements of the Company for the years ended 30 June 2019, 2020 and 2021.

Independent Assurance Report



Historical Financial Information (continued)

Walker Wayland Audit (WA) Pty Ltd audited the general purpose financial statements of the Company for the years ended 30 June 2019, 2020 and 2021.

Walker Wayland Audit (WA) Pty Ltd issued an unmodified opinion on the financial statements for the years ended 30 June 2019, 2020 and 2021.

The Historical Statement of Profit or Loss and other comprehensive income of Allup for the years ended 30 June 2019, 2020 and 2021 are included at section 11.3 of the Prospectus and are presented without adjustment.

The Historical Statement of Cash flows of Allup for the years ended 30 June 2019, 2020 and 2021 are included at section 11.5 of the Prospectus and are presented without adjustment.

The Historical Statement of Financial Position as at 30 June 2019, 2020 and 2021 of the Company is included in section 11.6 of the Prospectus and is included without adjustment.

Pro Forma Financial Information

The Directors have requested that Moore Australia Corporate Finance (WA) Pty Ltd review:

- The Pro Forma Historical Statement of Financial Position of Allup as at 30 June 2021 adjusted to include funds to be raised pursuant to the Prospectus and the completion of certain other transactions as disclosed in section 11.8 of the Prospectus, as if those events and transactions occurred as at 30 June 2021.

which is collectively termed the "Pro Forma Financial Information".

The Pro Forma Historical Statement of Financial Position is derived from the Historical Statement of Financial Position of the Company as at 30 June 2021, adjusted on the basis of the completion of the proposed Capital Raising and the completion of certain other transactions as disclosed in Section 11.7, as if those events and transactions occurred as at 30 June 2021. The Pro Forma Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of Allups' future financial position.

3. Scope of Review

Directors' Responsibilities

The Directors of Allup are responsible for the preparation and presentation of the Historical and Pro Forma financial information, including the determination of the Pro Forma transactions. The Directors are also responsible for the information contained within the Prospectus.

This responsibility includes for the operation of such internal controls as the Directors determine are necessary to enable the preparation of the Financial Information presented in the Prospectus that is free from material misstatement whether due to fraud or error.

Our Responsibilities

We have conducted our engagement in accordance with Australian Auditing Standard ASRE 2405 *Review of Historical Financial Information Other than a Financial Report*. We have also considered and complied with the requirements of ASAE 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Historical Financial Information included in a Prospectus or other Document* and ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any Historical Financial Information used to compile the Pro forma Financial Information, nor have we, in the course of this engagement, performed an audit of the financial information.

Independent Assurance Report



Our Responsibilities (continued)

used in compiling the Pro Forma Financial Information, or the Pro Forma Financial Information itself.

The purpose of the compilation of the Pro Forma Financial Information is solely to illustrate the impact of the proposed Capital Raising, related transactions and accounting policies on unadjusted financial information of the Company as if the event or application of accounting policies had occurred at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the proposed Capital Raising, related transactions and accounting policies would be as presented.

We made such inquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances including:

- a review of contractual arrangements;
- a review of financial statements, management accounts, work papers, accounting records and other documents, to the extent considered necessary;
- analytical procedures, to the extent considered necessary;
- a review of the audited financial statements of Allup, including making enquiries of the auditor, to the extent considered necessary;
- a comparison of consistency in application of the recognition and measurement principles in Accounting Standards and other mandatory professional reporting requirements in Australia, with the accounting policies adopted by the Company;
- a review of the assumptions and pro forma adjustments used to compile the Pro Forma Financial Information; and
- enquiry of Directors, management and advisors of Allup.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

These procedures have been undertaken to form a limited assurance conclusion as to whether we have become aware of any matters that indicate the Historical and Pro Forma Financial Information, set out in section 11 of the Prospectus, does not present fairly, in all material respects, in accordance with Australian Accounting Standards and the accounting policies adopted by the Company. This view is consistent with our understanding of the financial position of the Company as at 30 June 2021, the pro forma financial position as at 30 June 2021, and of its financial results and cash flows for the years ended 30 June 2019, 2020 and 2021.

4. Capitalised Costs – Exploration and Evaluation Assets

A significant asset of Allup is its interests in exploration and mining tenements, comprising tenement acquisition, exploration and evaluation costs, which have been capitalised in the Statements of Financial Position.

The interests in exploration and mining tenements have been included at either cost of acquisition to Allup or capitalised exploration and evaluation expenditure incurred, in the Statements of Financial Position.

We have not carried out valuations of the exploration and mining tenements, however they have been reviewed for impairment by the Company and, where appropriate, the carrying values of the capitalised exploration and evaluation costs have been written down where assessed to exceed recoverable amounts. In addition, it should be noted that the value of the exploration and mining tenements may rise or fall depending on such factors as future exploration results and world prices for minerals being sought.



5. Conclusions

Based on our review, which is not an audit:

- Nothing has come to our attention which causes us to believe that the Historical Statements of Profit or Loss and other comprehensive income of Allup for the years ended 30 June 2019, 2020 and 2021, as set out in section 11.3 of the Prospectus, do not present fairly the results of the Company for the years then ended in accordance with the accounting methodologies required by Australian Accounting Standards and adopted by the Company.
- Nothing has come to our attention which causes us to believe that the Historical Statements of Cash Flows of Allup for the years ended 30 June 2019, 2020 and 2021, as set out in section 11.5 of the Prospectus, do not present fairly the cash flows of the Company for the years then ended in accordance with the accounting methodologies required by Australian Accounting Standards and adopted by the Company.
- Nothing has come to our attention which causes us to believe that the Historical Statement of Financial Position of the Company, as set out in section 11.6 of the Prospectus, do not present fairly the assets and liabilities of the Company as at 30 June 2019, 2020 and 2021 in accordance with the accounting methodologies required by Australian Accounting Standards and adopted by the Company.
- Nothing has come to our attention which causes us to believe that the Pro Formal Statement of Financial Position of the Company, as set out in section 11.8 of the Prospectus, does not present fairly the assets and liabilities of the Company, as at 30 June 2021 in accordance with the accounting methodologies required by Australian Accounting Standards and adopted by the Company, and on the basis of assumptions and transactions set out in section 11.7 of the Prospectus.

6. Subsequent Events

To the best of our knowledge and belief, there have been no other material items, transactions or events subsequent to 30 June 2021 not otherwise disclosed in this report or the Prospectus that have come to our attention during the course of our review which would cause the information included in this report to be misleading.

7. Other Matters

Moore Australia Corporate Finance (WA) Pty Ltd does not have any pecuniary interest that could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion on this matter.

Moore Australia Corporate Finance (WA) Pty Ltd will receive a professional fee for the preparation of this Independent Assurance Report.

Moore Australia Corporate Finance (WA) Pty Ltd were not involved in the preparation of any other part of the Prospectus and accordingly makes no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Prospectus.

Moore Australia Corporate Finance (WA) Pty Ltd consents to the inclusion of this report in the Prospectus in the form and context in which it is included. At the date of this report, this consent has not been withdrawn.

Yours faithfully



Neil Pace
Director

Moore Australia Corporate Finance (WA) Pty Ltd

**MOORE AUSTRALIA CORPORATE FINANCE (WA) PTY LTD****Australian Financial Services Licence No. 240773****FINANCIAL SERVICES GUIDE**

This Financial Services Guide is issued in relation to our Independent Assurance Report for Allup Silica Limited ("Allup"). Our report has been prepared at the request of the Directors of Allup for inclusion in the Prospectus to be dated on or about 1 December 2021 in respect of the initial public offering of fully paid ordinary shares in Allup and listing of Allups on the Australian Securities Exchange.

Moore Australia Corporate Finance (WA) Pty Ltd

Moore Australia Corporate Finance (WA) Pty Ltd ("MACF") has been engaged by the directors of Allup to prepare an Independent Assurance Report in respect of the initial public offering of fully paid ordinary shares in Allup and listing of Allup on the Australian Securities Exchange.

MACF holds an Australian Financial Services Licence – Licence No 240773.

Financial Services Guide

As a result of our report being provided to you we are required to issue to you, as a retail client, a Financial Services Guide ("FSG"). The FSG includes information on the use of general financial product advice and is issued so as to comply with our obligations as holder of an Australian Financial Services Licence.

Financial Services we are licensed to provide

MACF holds an Australian Financial Services Licence which authorises us to provide reports for the purposes of acting for and on behalf of clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate restructures or share issues, and to carry on a financial services business to provide general financial product advice for securities to retail and wholesale clients.

We provide financial product advice by virtue of an engagement to issue a report in connection with the issue of securities of a company or other entities.

Our report includes a description of the circumstances of our engagement and identifies the party who has engaged us. You have not engaged us directly but will be provided with a copy of our report as a retail client because of your connection with the matters on which our report has been issued. We do not accept instructions from retail clients and do not receive remuneration from retail clients for financial services.

Our report is provided on our own behalf as an Australian Financial Services Licensee authorised to provide the financial product advice contained in this report.

General Financial Product Advice

Our report provides general financial product advice only, and does not provide personal financial product advice, because it has been prepared without taking into account your particular personal circumstances or objectives either financial or otherwise, your financial position or your needs.

Some individuals may place a different emphasis on various aspects of potential investments.

An individual's decision in relation to the proposed transaction may be influenced by their particular circumstances and, therefore, individuals should seek independent advice.

Benefits that we may receive

We will charge fees for providing our report. The basis on which our fees will be determined has been agreed with, and will be paid by, the person who engaged us to provide the report. Our fees have been agreed on either a fixed fee or time cost basis. We estimate that our fees for the preparation of this report will be approximately \$9,000 plus GST.

Remuneration or other benefits received by our employees

All our employees receive a salary. Employees may be eligible for bonuses based on overall productivity and contribution to the operation of MACF or related entities but any bonuses are not directly in connection with any assignment and in particular are not directly related to the engagement for which our report was provided.

Referrals

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

Associations and relationships

MACF is the licensed corporate advisory arm of Moore Australia (WA) Pty Ltd, Chartered Accountants. The directors of MACF may also be partners in Moore Australia (WA) Pty Ltd Chartered Accountants.

Moore Australia (WA) Pty Ltd, Chartered Accountants is comprised of a number of related entities that provide audit, accounting, tax, and financial advisory services to a wide range of clients.

MACF's contact details are set out on our letterhead.

Neither MACF nor Moore Australia (WA) Pty Ltd has previously provided any other services to Allup.

Complaints resolution

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to The Complaints Officer, Moore Australia (WA) Pty Ltd, PO Box 5785, St George's Terrace, Perth WA 6831.

On receipt of a written complaint we will record the complaint, acknowledge receipt of the complaint and seek to resolve the complaint as soon as practical.

If we cannot reach a satisfactory resolution, you can raise your concerns with Australian Financial Complaints Authority Limited ("AFCA"). AFCA is an independent body established to provide advice and assistance in helping resolve complaints relating to the financial services industry. MACF is a member of AFCA. AFCA may be contacted directly via the details set out below.

Australian Financial Complaints Authority Limited
GPO Box 3
Melbourne VIC 3001
Toll free: 1800 931 678
Email: info@afca.org.au

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RISK FACTORS

Risk Factors

An investment in the Shares offered under this Prospectus should be considered speculative because of the nature of the Company's business. This Section identifies the major areas of risk associated with an investment in the Company but should not be taken as an exhaustive list of the risk factors to which the Company and holders of its Securities are exposed.

Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some 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 of capital or price at which securities will trade. There can be no guarantee that the Company will achieve its stated objectives or that any forward-looking statement will eventuate.

The selection of risks contained in this Section has been based on an assessment of a combination of the probability of the risk occurring and the impact of the risk if it did occur. The assessment is based on the knowledge of the Directors as at the date of this Prospectus, but there is no guarantee or assurance that the importance of risks will not change, or other risks will not emerge. Additional risks not presently known to the Company, or if known, not considered material, may also have an adverse impact.

Potential investors should read the entire Prospectus and consult their professional advisors before deciding whether to apply for Securities.

13.1 Specific Risks associated with the Company

(a) Exploration and Development Risks

Mineral exploration, development and mining are high-risk enterprises, only occasionally providing high rewards. In addition to the normal competition for prospective ground, and the high average costs of discovery of an economic deposit, factors such as demand for commodities, stock market fluctuations affecting access to new capital, sovereign risk, environmental issues, labour disruption, project financing difficulties, foreign currency fluctuations and technical problems all affect the ability of a company to profit from any discovery.

The quantities and grades included in the mineral resource statements are estimates and may not prove to be an accurate indication of the quantity or grade of mineral that has been identified or that the Company will be able to extract. No assurance can be given that any particular level of recovery from mineral resources or reserves will in fact be realised or that an identified mineral resource will ever qualify as commercially viable which can be legally and economically exploited.

There is no assurance that exploration of the Company's mineral interests, or any other projects that may be acquired by the Company in the future, will result in the discovery of an economically viable mineral deposit. Even if an apparently viable mineral deposit is identified, there is no guarantee that it can be profitably exploited.

(b) Land Access and Compensation

There is a substantial level of regulation and restriction on the ability of exploration and mining companies to gain access to land in Australia. Negotiations with both Native Title parties and land owners/occupiers are generally required before the Company can access land for exploration or mining activities. Investors should be aware that any delay in obtaining agreement in respect of compensation due to landholders whose land comprises the Tenements may adversely impact or delay the Company's ability to carry out exploration or mining activities on its Tenements.

A number of the Tenements for its Projects overlay private land and Crown nature reserves both of which require consent prior to access and the conduct of exploration activities on the areas affected. Should such consents not be forthcoming or be withdrawn this may have a materially adverse impact or delay to the Company's exploration Activities (refer to the Mining Tenement report in Section 10 for further details on these matters).

(c) 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 or mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or

Risk Factors

plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, fire, explosions and other incidents beyond the control of the Company.

These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. While the Company currently intends to maintain insurance within ranges of coverage consistent with industry practice, no assurance can be given that the Company will be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

(d) Silica Sand and Commodity Prices

As an explorer for silica sand, any future earnings of the Company are expected to be closely related to the price of those commodities.

Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include worldwide and regional supply and demand for commodities, general world economic conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global basis. These factors may have a positive or negative effect on the Company's exploration and project development plans, together with the ability to fund those plans and activities.

(e) Native Title

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

Native Title can be extinguished by valid grants of land (such as freehold title) or waters to people other than the Native Title holders or by valid use of land or waters. Native Title is not necessarily extinguished by the grant of mining leases, although a valid mining lease prevails over Native Title to the extent of any inconsistency for the duration of the title.

Tenements granted before 1 January 1994 are valid or validated by the Native Title Act. The Tenement was granted prior to 1 January 1994 and accordingly suspends the operation of native title within the tenement area for the life of the Tenement.

The existence of a Native Title Claim is not an indication that Native Title in fact exists on the land covered by the claim, as this matter is ultimately determined by the Federal Court.

A number of the Tenements for its Projects are affected by known determined or registered Native Title Claims. Accordingly, the ability of the Company to gain access and progress to mining operations (should exploration be successful) will be dependent on coming to arrangements with these parties regards operations within the affected areas (refer to the Mining Tenement report in Section 10 for further details on these matters).

(f) Aboriginal Heritage

The Company must comply with Aboriginal heritage legislation requirements which include the requirement to conduct heritage survey work prior to the commencement of operations.

The Company is aware of various areas of indigenous significance and Aboriginal heritage sites of considerable cultural value both to the local indigenous communities and the broader community generally. These heritage sites require the Company to comply with the Aboriginal Heritage Act in respect of any ground disturbing activities. Prior to commencing significant ground disturbing activities, including mining, the Company will need to consult with local traditional owners regarding the likely impact that the proposed activities may have on such areas.

There is no guarantee that the Company will be able to deal with the above issues in a satisfactory or timely manner and accordingly such issues may increase the proposed time periods for the conduct of the Company's proposed activities and also limit the Company's ability to conduct its proposed activities on the Tenement including ultimately commencing mining operations.

Risk Factors

(g) Tenement Title

Interests in tenements in Western Australia are governed by legislation and are evidenced by the granting of licences. Each licence is granted for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to, or its interest in, the Tenement if licence conditions are not met or if insufficient funds are available to meet expenditure commitments as and when they arise.

The Company currently has 4 tenement applications which are being processed. Certain requirements must be met in respect of these applications in order to achieve grant. Should these requirements not be met, the applications will not be granted and the Company will not be able to undertake exploration activities on the areas of the applications. Further, tenements are granted on certain terms and conditions most of which are standard to all tenements granted. However, it is possible that conditions specific to the Tenements in question could be imposed which require consents or approvals prior to exploration or restrict or limit access to certain areas. If this occurs in respect of the Company's Tenements which are applications, it could have an impact on the Company's ability to explore on these Tenement once granted. In particular the Company notes that E70/5455 (Antwalker Project) substantially overlies a state forest. As detailed elsewhere in this Prospectus the grant of this Tenement is conditional on an approval of a conservation management plan by Department of Conservation, Biodiversity and Attractions. Should such approval not be obtained then the Tenement will not be granted. Further conditions may be imposed on such grant which impede exploration activities.

The Tenement (or tenements in which the Company may acquire an interest in the future), will be subject to applications for renewal or exemption from expenditure (as the case may be). The renewal or exemption from expenditure for a tenement is usually determined at the discretion of the relevant government authority.

If a tenement is not renewed or granted an exemption from expenditure, the Company may suffer damage through loss of opportunity to develop and discover minerals on that tenement.

(h) Environmental Risks

Exploration and mining is an industry that has become subject to increasing environmental responsibility and liability. The potential for liability is an ever present risk. The operations and proposed activities of the Company are subject to regulations concerning the environment. The Government and other authorities that administer and enforce environmental laws determine these requirements. As with all exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if mine development proceeds. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Although the Company believes that it is in compliance in all material respects with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidental spills, leakages or other unforeseen circumstances, which could subject the Company to extensive liability.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations.

Risk Factors

(i) Dependence on Key Personnel and Ability to Recruit Additional Personnel

The Company is reliant on a number of key personnel engaged by the Company. Loss of such personnel may have a materially adverse impact on the performance of the Company. While there can be no assurance given as to the continued availability of such key personnel, the Company has put in place employment contracts and equity participation programs with senior executives to incentivise them. Furthermore, if the Company is unable to attract, train and retain key individuals and other highly skilled employees and consultants, its business may be adversely affected.

(j) Agents and Contractors

The Company intends to outsource substantial parts of its exploration activities pursuant to services contracts with third party contractors. In most cases, the Company has yet to enter into these arrangements. The Directors are unable to predict the risk of financial failure, default or insolvency of any of the contractors. If these events occur in relation to a contractor, recovery by the Company of resulting financial losses may be limited. Contractors may also underperform their obligations of their contracts. If such contracts are terminated, the Company may not be able to find a suitable replacement on satisfactory terms.

(k) Royalties

The Company's Projects are subject to State royalties and a private royalty over E80/5524 (being one of the Tenements within the Kimberley Project) and E63/2137, E63/2138 and E63/2139 (being the Esperance Projects). The existence of such royalties may impact the profitability and commercial viability of the Company's Projects should exploration on the Company's Project be successful. Further if State royalties increase in the future, the profitability and commercial viability of the Company's Projects may be negatively impacted.

(l) Climate Change Regulation

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.

(m) Future Capital Needs

The future capital requirements of the Company will depend on many factors. The Company believes that the proceeds of the Offer should be adequate to fund its business activities in the short term as stated in this Prospectus. Changes to operational requirements, market conditions and the identification of other opportunities may mean further funding is required by the Company at an earlier stage than is currently anticipated.

Should the Company require additional funding, there can be no assurance that additional financing (whether debt or equity) will be available, either on acceptable terms or at all. Any inability to obtain additional funding, if required, will have a material adverse effect on the Company's business and its financial condition and performance and the Company's ability to continue as a going concern.

Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the Offer and may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

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

(n) New Projects and Acquisitions

The Company intends to actively pursue and assess new business opportunities in the resources sector. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, and/or direct equity participation. The acquisition of projects (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence or prior to the completion of comprehensive due diligence.

Risk Factors

There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company.

If an acquisition is completed, the Directors will need to reassess at that time, the funding allocated to current projects and new projects, which may result in the Company reallocating funds from the Projects and/or raising additional capital (if available).

Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project/business activities will remain.

(o) Granting of Licences and Permits

The Company will require various and many governmental, environmental, exploration and mining permits, rights, agreements and other necessary approvals that authorise the Company to conduct exploration, mining and processing operations. A decision by any agency or other party to deny the required approval or agreements, delay issuing or renewing the required approval or agreement, or to revoke or modify an existing approval or agreement, could have a material and negative effect on the Company, including the ability for the Company to continue operations. Establishing, continuing and expanding future operations is predicated on application and receipt of all the necessary approvals and permits, rights or access agreements, which may not necessarily be obtained quickly or at all.

(p) Resource and Reserve Estimates

Resource and reserve estimates are expressions of judgement which are based on the knowledge and experience of the person in making them. Resource and reserve estimates are valid and current when they are completed but are subject to change, sometimes materially, when updated data and other information becomes known or available through subsequent activities, such as drilling, sampling and analysis. Resource and reserve estimates can be imprecise because they can rely on interpretations that may change or prove to be flawed or inaccurate and based on current information. The Company could be required to modify resource or reserve estimates and as a consequence the Company may be required to adjust its plans and that these adjustments may adversely affect the Company.

The preparation of reserve and resource estimates are based on a competent person's expressions of judgment using available exploration and drilling results and other relevant information, supported by the person's experience. A more detailed understanding of mineral deposits may not be available until mining operations commence and may differ from the initial data used to prepare the initial resource and reserve estimation. The actual reserves and resources estimates may differ or change.

(q) Metallurgy

Silica sand recoveries are dependent upon the metallurgical process which may contain significant risks such as:

- (i) accuracy in the identification of a metallurgical process required to produce a commercial product;
- (ii) the identification of a process route that is economic and viable to produce a commercial product; and
- (iii) changes or variability in the mineralogy which creates inconsistency in product recovery, affecting the viability of the project.

(r) Changes to Demand or Production or Technology or Alternative Products

Prices for silica sand will be subject to demand for glass and other products that require silica sand in their manufacture. A reduction in glass or other products production may reduce demand for silica sand and as a consequence this may reduce the exploration and development and future production or proposed mining activities of the Company. This may have a material adverse effect on the Company's business and financial conditions generally. The development of new technology or alternative products technology that provide for an effective alternative to using silica sand, or the development of new processes that replace or reduce silica sand use, could have a material adverse effect on the Company's business and financial conditions.

Risk Factors

(s) A Change in Purchases by Buyers

Buyers may change or decide not to continue to purchase from the Company. The Company may sell products to customers pursuant to a supply agreements. If any buyer substantially reduces or altogether stops purchasing the Company's product, it may mean that the Company is not able replace the buyer quickly or at all, and as a result this could have a material adverse effect on the Company's business and financial conditions.

(t) Credit Risk of Export Customers

The Company is subject to commercial and credit risks, including non-payment or non-performance of obligations by its customers. This may include a failure in the Company's credit procedures in that the Company fails to understand or obtain an accurate creditworthiness, or fails to manage a deterioration in creditworthiness, which results in non-payment this could have a material adverse effect on the Company's business and financial conditions.

(u) Increasing Logistics Costs for Transport, Port and Shipping

Logistics costs for transport, port and shipping make up a significant component of the total cost of the Company's products. The cost of logistics could favour other silica sand suppliers that are located in closer proximity to road, rail or port and have a lower logistic costs than the Company. Labour disputes, road conditions or road closures, derailments, adverse weather conditions or other unknown events may interrupt or limit the transportation services available to the Company and could increase costs to the Company. The Company may not be able to pass on these increased costs to the customers, or the Company's ability to deliver the products to the customers may become uneconomic and this could have a material adverse effect on the Company's business and financial conditions.

(v) Maintaining Quality Control at the Mining and Processing Operation

The quality of the Company's products depend on the ability to successfully implement and manage the quality control systems, including training and compliance to the processes and guidelines. Any failure or deterioration in the quality control this could have a material adverse effect on the Company's business and financial conditions.

(w) Interruptions or Failures in Technology

The Company's operations may rely on sophisticated technology based systems, including process control technology. These systems may be susceptible to outages caused by events outside the Company's control, such as fire, floods, power loss, telecommunications failures, errors by employees, computer virus, cyber-attacks or other information technology security breaches, or similar events. The failure of any of technology based systems may cause disruptions in operations, which could have a material adverse effect on the Company's business and financial conditions.

(x) Weather Conditions

Weather conditions may result in having an effect on the Company's operations, including failures in not having sufficient stockpiles for the production process which could result in the Company not being unable to satisfy customer requirements during these periods and other costs the Company may occur in this event that this could have a material adverse effect on the Company's business and financial conditions.

(y) Shortage of Labour or Labour Disputes

The Company's operations will require trained or experienced personnel. If a shortage of personnel is encountered, or the Company is unable to train the necessary number of personnel or a labour disputes interrupts the availability of personnel, or the Company is not able to maintain good relations with its personnel, there could be an adverse impact on production and costs and the ability to maintain production and this could have a material adverse effect on the Company's business and financial conditions.

(z) No Profits have been Made by the Company

The Company has not made profits and has incurred losses since its inception, meaning it is not possible to evaluate its prospects based on past performance. The Company anticipates making further losses and there is no certainty that the Company will achieve or be able to sustain profitability.

Risk Factors

(aa) Changes in Laws and Regulations

The Company's operations are subject to a many federal, state and local regulatory legislative requirements which can affect the industry in which the Company operates. These include, but are not limited to, those laws relating to employee health and safety, environmental, air and water emissions, carbon dioxide emissions, pollution, waste management, soil and groundwater, land use, reclamation and restoration, hazardous materials, and many other areas. Laws typically impose penalties for non-compliance, and in some circumstances liabilities may be imposed as a result of conduct that was lawful at the time it occurred or for the conduct of, or conditions caused by, prior operators or other third parties. Future laws or regulations could restrict the ability for the Company to conduct or expand its operations or extract mineral reserves or otherwise mean the Company may incur significant expenses in connection with business. Future events, including changes or interpretation or enforcement of law and the costs associated with complying with such requirements, could have a material adverse effect on the Company's business and financial conditions.

13.2 General Risks

(a) COVID-19 Risk

The outbreak of the novel coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. If any of these impacts appear material prior to close of the Offer, the Company will notify investors under a supplementary prospectus.

(b) Economic Risk

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, industrial disruption and the rate of growth of gross domestic product in Australia and other jurisdictions in which the Company may acquire mineral assets.

(c) Securities Investments

There are risks associated with any securities investment. The prices at which the Securities trade on ASX may fluctuate in response to a number of factors including:

- (i) the recruitment or departure of key personnel;
- (ii) actual or anticipated changes in estimates as to financial results, development timelines or recommendations by securities analysts;
- (iii) variations in the Company's financial results or those of companies that are perceived to be similar to the Company including changes caused by changes in financial accounting standards or practices or taxation rules or practices;
- (iv) announcements regarding litigation or other proceedings that involve the Company;
- (v) war or acts of terrorism or catastrophic disasters that disrupt world trade or adversely affect confidence in financial markets;
- (vi) other general economic, industry and market conditions; and
- (vii) other factors described in this Section 13.

Risk Factors

(d) Share Market Conditions

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

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

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and mining and resources related stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(e) Liquidity Risk

There is no guarantee that there will be an ongoing liquid market for the Shares. Accordingly, there is a risk that, should the market for the Shares become illiquid, Shareholders will be unable to realise their investment in the Company.

(f) Changes in Government Policies and Legislation

Any material adverse changes in government policies or legislation of Australia or any other country that the Company may acquire economic interests in may affect the viability and profitability of the Company.

(g) Litigation

The Company is exposed to the risk of actual or threatened litigation or legal disputes in the form of contractual claims, intellectual property claims, personal injury claims, mining title related disputes, employee claims and other litigation and disputes. If any claim was successfully pursued it may adversely impact the financial performance, financial position and share price of the Company.

(h) Taxation Risk

The acquisition and disposal of Shares will have tax consequences for investors, which will vary depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent professional taxation and financial advice about the consequences of acquiring and disposing of Securities from a taxation viewpoint and generally.

13.3 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisor before deciding whether to apply for Shares pursuant to this Prospectus.

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MATERIAL CONTRACTS

14.1 Compensation Agreements

The Company has entered into various compensation and access agreements in relation to certain tenements in the South-West Silica Project with various private landowners.

Project	Tenement	Number of Agreements
Unicup Project	E70/5447	E70/5527
Pipeclay Tree Project	E70/5682	E70/5745

The above agreements are on the same or similar terms, which require the Company to:

- give prior notice to the Owner of its intention to enter their land and obtain the owner's prior written consent for exploration activities which impact the owner's occupation of the land, the owner's water conserves or require construction of roads or utilities;
- pay compensation to the owner, including daily compensation while conducting on-site activities and compensation for loss and damage caused by the Company's activities; and
- conduct its exploration activities in accordance with good practice, industry standards, applicable laws and other agreed conditions.

The Company's compensation and access agreements are otherwise on terms typical for agreements of this nature, including representations, warranties, and undertakings given by the Company.

14.2 Cabbage Patch Project Sale Agreement

The Company entered into an agreement with the two former owners of E80/5524 (**Sale Agreement**).

Completion under the Sale Agreement occurred on 19 November 2021. A transfer in registrable form in respect of E80/5524 has been executed and lodged with the Department of Mines and Petroleum, and stamp duty has been assessed on the transfer. The transfer is pending processing, which is expected to be completed shortly.

Deferred consideration is payable by the Company for the acquisition, including \$100,000 worth of Shares to be issued 2 business days after the Company announces its intention to commence production on E80/5524 (shares to be issued at the 5-day volume weighted average price of the Company's shares on ASX prior to such announcement).

The Company also granted a 2.5% net profit royalty to the Sellers payable on all minerals recovered from E80/5524 and any tenements acquired by the Company under an agreed area of mutual interest.

The Sale Agreement is otherwise on terms typical for an agreement of its nature, including representations, warranties, indemnities given by the Company and a Seller right of first refusal on any sale or relinquishment of E80/5524.

14.3 Norvale Agreement

Material Contracts

14.4 Lead Manager Mandate

The Company and CPS Capital Group have entered into a lead manager mandate under which CPS Capital Group has been appointed as the lead manager to the Offer (**Lead Manager Mandate**). The material terms of the Lead Manager Mandate are as follows:

- (a) CPS Capital Group will assist the Company with completing the Offer on a best endeavors basis;
- (b) CPS Capital Group will receive total fees comprising:
 - (i) a placement fee of 4% (excluding GST) on the total amount of the Offer in respect of which the Lead Manager, or other holders of an Australian Financial Services Licence, have introduced to participate in the Offer. The Lead Manager will be responsible for payment of all other selling fees to other holders of an Australian Financial Services Licence who participate in the Offer; and
 - (ii) a management fee of 2% (excluding GST) on total funds raised under the Offer; and
 - (iii) CPS Capital Group is a Nominee, will receive 5,000,000 Advisor Options, plus any GST where applicable, upon the successful listing of the Company. The Advisor Options have an expiry term of 42 months from date of listing, with an exercise price of \$0.25. These Advisor Options will be issued at a cost price of \$0.001. The Terms and Conditions of Advisor Options are at Section 15.2.
- (c) The Lead Manager Mandate contains covenants, warranties, representations and indemnities that are customary for an agreement of this nature.

14.5 Agreement with Directors, Key Management or Related Parties

A summary of the agreements with Directors, key management personnel and related parties of the Company is set out in Section 8.8.

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ADDITIONAL INFORMATION

Additional Information

15.1 Rights Attaching to Shares

The Shares offered under this Prospectus are fully paid ordinary shares in the capital of the Company and rank equally with the Company's Existing Shares.

Full details of the rights attaching to Shares are set out in the Constitution a copy of which can be inspected, free of charge, at the Company's registered office during normal business hours.

The following is a broad summary of the more significant rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders.

(a) General Meetings and Notices

Each eligible Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act or the Listing Rules.

(b) Voting Rights

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

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

(c) Issues on Further Shares

The Directors may, on behalf of the Company, issue shares and grant options over or unissued shares to any person on the terms, with the rights, and at the times that the Directors decide. However, the Directors must act in accordance with the restrictions imposed by the Constitution, Listing Rules, the Corporations Act and any rights and restrictions attached to a class of shares.

(d) Variation of Rights

Unless otherwise provided by the Constitution or by the terms of issue of a class of shares, the rights attached to the shares in any class may be varied or cancelled only with the written consent of the holders of at least three-quarters of the issued shares of the affected class, or by special resolution passed at a separate meeting of the holders of the issued shares of the affected class.

(e) Transfer of Shares

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

The Directors may decline to register a transfer of shares (other than a proper transfer in accordance with the ASX Settlement Operating Rules) where permitted to do so under the Listing Rules. If the Directors decline to register a transfer, the Company must, within 5 business days after the transfer is delivered to the Company, give the party lodging the transfer written notice of the refusal and the reason for the refusal.

Additional Information

(f) Partly Paid Shares

The Directors may, subject to compliance with the Constitution, the Corporations Act and Listing Rules, issue partly paid shares upon which there are outstanding amounts payable. These shares will have limited rights to vote and to receive dividends.

(g) Dividend Rights

Subject to and in accordance with the Corporations Act, the Listing Rules, the rights of any preference shares and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare dividend to be paid to the shareholders entitled to the dividend. Subject to the rights of any preference shares and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the dividend as declared shall be payable on all shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such shares.

(h) Winding-Up

Subject to any rights or restrictions attached to a class of Shares, on a winding up of the Company, any surplus must be divided among the Shareholders in the proportions which the amount paid (including amounts credited) on the shares of a Shareholder is of the total amounts paid and payable (including amounts credited) on the shares of all Shareholders.

(i) Dividend Reinvestment and Share Plans

Subject to the requirements in the Corporations Act and the Listing Rules, the Directors may implement and maintain dividend reinvestment plans (under which any member may elect that dividends payable by the Company be reinvested by way of subscription for fully paid shares in the Company) and any other share plans (under which any member may elect to forego any dividends that may be payable on all or some of the shares held by that member and to receive instead some other entitlement, including the issue of fully paid shares).

(j) Directors

The Constitution states that the minimum number of Directors is three and the maximum number is 10.

(k) Powers of the Board

Except as otherwise required by the Corporations Act, any other law, the Listing Rules or the Constitution, the Directors have the power to manage the business of the Company and may exercise every right, power or capacity of the Company.

(l) Share Buy Backs

Subject to the provisions of the Corporations Act and the Listing Rules, the Company may buy back shares in itself on the terms and at times determined by the Directors.

(m) Unmarketable Parcels

The Company's constitution permits the Board to sell the shares held by a Shareholder if they comprise less than a marketable parcel within the meaning of ASX Business Rules. The procedure may only be invoked once in any 12 month period and requires the Company to give the shareholder notice of the intended sale.

If a Shareholder does not want his shares sold, he may notify the Company accordingly.

(n) Capitalisation of Profits

The Directors may capitalise any profits of the Company and distribute that capital to the Shareholders, in the same proportions as the Shareholders are entitled to a distribution by dividend.

(o) Capital Reduction

Subject to the Corporations Act and Listing Rules, the Company may reduce its share capital.

Additional Information

(p) Preference Shares

The Company may issue preference shares, including preference shares that are liable to be redeemed. The rights attaching to preference shares are those set out in the Constitution unless other rights have been approved by special resolution of the Company's Shareholders.

15.2 Terms and Conditions of Advisor Options

(a) Entitlement

Each Option entitles the holder to subscribe for one fully paid ordinary share in the capital of the Company (Share) upon the exercise of each Option.

(b) Exercise Price

The exercise price of the Advisor Options is \$0.25;
(each an Exercise Price).

(c) Expiry Date

The expiry date of the Advisor Options is 42 months from the date of grant;
(each an Expiry Date).

(d) Exercise Period

The Advisor Options are exercisable at any time on or prior to the Expiry Date.

(e) Lapse Date

An Advisor Option will lapse on the Expiry Date.

(f) Notice of Exercise

The Advisor Options may be exercised by notice in writing to the Company (Notice of Exercise) and payment of the Exercise Price for each Advisor Option being exercised. Any Notice of Exercise of an Advisor Option received by the Company will be deemed to be a notice of the exercise of that Advisor Option as at the date of receipt.

(g) Shares Issued on Exercise

Shares issued on exercise of the Advisor Options will rank equally with the then issued fully paid ordinary shares of the Company.

(h) Quotation of Shares on Exercise

Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Advisor Options.

(i) Timing of Issue of Shares

After an Option is validly exercised, the Company must, within 15 Business days of receiving the Notice of Exercise and receipt of cleared funds equal to the sum payable on the exercise of the Advisor Option, issue the Shares and do all such acts, matters and things to obtain the grant of official quotation of the Shares on ASX no later than 5 Business Days after issuing the Shares.

(j) Participation in New Issues

There are no participation rights or entitlements inherent in the Advisor Options and the holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Advisor Options without exercising the Advisor Options. However, the Company will give the holder notice of the proposed issue prior to the date for determining entitlements to participate in any such issue.

Additional Information

(k) Adjustment for Bonus Issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- the number of securities which must be issued on the exercise of an Advisor Option will be increased by the number of securities which the Option holder would have received if the Option holder had exercised the Advisor Option before the record date for the bonus issue; and
- no change will be made to the Exercise Price.

(l) Adjustments for Reconstruction of Capital

If there is any reconstruction of the issued share capital of the Company, the rights of the Option holder may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(m) Quotation of Advisor Options

Application will not be made by the Company to ASX for official quotation of the Advisor Options.

(n) Options Transferable

The Advisor Options are transferable, subject to compliance with applicable Laws and escrow restrictions.

(o) Lodgement Instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Advisor Options with the appropriate remittance should be lodged at the Company's share registry.

15.3 Employee Securities Incentive Plan

The Company considers that it is desirable to establish a securities incentive plan pursuant to which the Company can issue Securities to eligible Directors, employees and consultants in order to attract, motivate and retain such persons and to provide them with an incentive to deliver growth and value to all Shareholders (**Plan**).

Under the Plan, the Board may offer to eligible persons the opportunity to subscribe for such number of Securities in the Company as the Board may decide and on the terms set out in the rules of the Plan, a summary of which is set out in this Section.

A copy of the Plan is available for review by Shareholders at the registered office of the Company. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

The maximum number of Securities that the Company may issue under the Plan over the three years from the date of this Prospectus is 12,000,000.

Following the Company's admission to the Official List:

- (a) prior Shareholder approval will be required under Listing Rule 10.14 before any Director or associate of a Director can participate in the Plan; and
- (b) Shareholders must re-approve the Plan and the maximum number of Securities the Company may issue under the Plan every three years.

The following is a summary of the Employee Securities Incentive Plan and the terms on which an offer of Shares (**Plan Shares**) or other Securities (**Convertible Securities**) may be made under the Employee Securities Incentive Plan:

(c) Eligible Participant

"Eligible Participant" means a person who is a full-time or part-time employee, officer, or contractor of the Company, or an Associated Body Corporate (as defined in ASIC Class Order 14/1000), or such other person who has been determined by the Board to be eligible to participate in the Plan from time to time.

The Company will seek Shareholder approval for Director and related party participation in accordance with ASX Listing Rule 10.14.

Additional Information

(d) Purpose

The purpose of the Plan is to:

assist in the reward, retention and motivation of Eligible Participants;

link the reward of Eligible Participants to Shareholder value creation; and

align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.

(e) Plan Administration

The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.

(f) Eligibility, Invitation and Application

The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.

On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.

If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

(g) Grant of Securities

The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.

(h) Terms of Convertible Securities

Each "Convertible Security" represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them unless otherwise determined by the Board. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

(i) Vesting of Convertible Securities

Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

(j) Exercise of Convertible Securities and Cashless Exercise

To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time following vesting of the Convertible Security (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice.

Additional Information

An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

(k) Delivery of Shares on Exercise of Convertible Securities

As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.

(l) Forfeiture of Convertible Securities

Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly; committed an act which has brought the Company, the Group or any entity within the Group into disrepute, or wilfully breached his or her duties to the Group or where a Participant is convicted of an offence in connection with the affairs of the Group; or has a judgment entered against him or her in any civil proceedings in respect of the contravention by the Participant of his or her duties at law, in equity or under statute, in his or her capacity as an employee, consultant or officer of the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation or vesting notice.

(m) Change of Control

If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.

(n) Rights Attaching to Plan Shares

All Shares issued or transferred under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, ("Plan Shares") will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.

(o) Disposal Restrictions on Plan Shares

If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

Additional Information

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

- transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
- take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

(p) Adjustment of Convertible Securities

If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the ASX Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an issue of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

(q) Participation in New Issues

There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.

(r) Compliance with Applicable Law

No Security may be offered, granted, vested or exercised if to do so would contravene any applicable law. In particular, the Company must have reasonable grounds to believe, when making an invitation, that the total number of Plan Shares that may be issued upon exercise of Convertible Securities offer when aggregated with the number of Shares issued or that may be issued as a result of Offer made at any time during the previous three year period under:

- (i) an employee incentive scheme of the Company covered by ASIC Class Order 14/1000; or
- (ii) an ASIC exempt arrangement of a similar kind to an employee incentive scheme, but disregarding any offer made or securities issued in the capital of the Company by way of or as a result of:
- (iii) an offer to a person situated at the time of receipt of the offer outside Australia;
- (iv) an offer that did not need disclosure to investors because of section 708 of the Corporations Act (exempts the requirement for a disclosure document for the issue of securities in certain circumstances to investors who are deemed to have sufficient investment knowledge to make informed decisions, including professional investors, sophisticated investors and senior managers of the Company); or
- (v) an offer made under a disclosure document, would not exceed 5% (or such other maximum permitted under any applicable law) of the total number of Shares on issue at the date of the invitation.

(s) Amendment of Plan

Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

Additional Information

(t) Plan Duration

The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

(u) Income Tax Assessment Act

The Plan is a plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies (subject to the conditions in that Act) unless the Board determines otherwise at the time of an offer of securities.

15.4 Substantial Shareholders

On completion of the Offer (assuming all of the Shares under the Offer are subscribed for), the Company anticipates that the parties outlined in the table below will be the substantial Shareholders of the Company.

Shareholder	Number of Shares held	% total Shares held
Vorian Investment (Holdings) Pty Limited	12,143,750	14.4%
Tesha Pty Ltd	11,500,000	13.6%
Spurs Geological Services Pty Ltd	11,500,000	13.6%

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

15.5 Fees and Benefits

Other than as set out below or elsewhere in this Prospectus, no promoter or 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 had within two years before 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 under this Prospectus; or
- (c) the Offer under this Prospectus,

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 in connection with the formation or promotion of the Company or the Offer of Shares under this Prospectus.

CPS Capital Group Pty Ltd has acted as lead manager of the Offer and will be paid such amounts as detailed in Sections 4.4 and 6.4. Further details regarding the Lead Manager Mandate are contained in Section 14.3. During the 24 months preceding lodgement of this Prospectus at the ASIC, Pty Ltd has been paid or is entitled to be paid \$24,000 (exclusive of GST) in fees from the Company.

Moore Australia Corporate Finance (WA) Pty Ltd has acted as Investigating Accountant and has prepared the Independent Assurance Report which has been included in Section 12. The Company estimates it will pay Moore Australia Corporate Finance (WA) Pty Ltd a total of \$11,000 plus GST for these services.

Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with ASIC, Moore Australia Corporate Finance (WA) Pty Ltd has been paid or is entitled to be paid \$11,000 (exclusive of GST) in fees from the Company.

Additional Information

Rex Romae Pty Ltd (t/as Auranmore Consulting) has acted as Investigating Geologist and has prepared the Independent Geologist's Report which has been included in Section 9. The Company estimates it will pay Rex Romae Pty Ltd (t/as Auranmore Consulting) a total of \$20,000 plus GST for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with ASIC, Rex Romae Pty Ltd (t/as Auranmore Consulting) has been paid or is entitled to be paid \$20,000 (exclusive of GST) in fees from the Company.

Walker Wayland Audit (WA) Pty Ltd is the auditor to the Company. Fees for these audit services are charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with ASIC, Walker Wayland Audit (WA) Pty Ltd has been paid or is entitled to be paid \$11,306 (exclusive of GST) in fees from the Company.

Registry Direct Limited has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus, and will be paid for these services on standard industry terms and conditions. During the 24 months preceding lodgement of this Prospectus with the ASIC, Registry Direct Limited has been paid or is entitled to be paid \$nil (exclusive of GST) in fees from the Company.

GTP Legal Pty Ltd has acted as the solicitors to the Company in relation to the Offer and has been involved in due diligence enquiries on legal matters. The Company estimates it will pay GTP Legal Pty Ltd approximately \$65,000 plus GST for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, GTP Legal Pty Ltd has been paid or is entitled to be paid approximately \$6,700 (exclusive of GST) in fees from the Company for services other than in relation to the Offer.

15.6 Consents

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

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus, or any statement on which a statement in this Prospectus is based, other than those referred to in this Section;
- (b) has not authorised or caused the issue of this Prospectus or the making of the Offer; and
- (c) makes no representations regarding, and to the maximum extent permitted by law, expressly disclaims, and takes no responsibility for any statements in, or omissions from any part of this Prospectus other than a reference to its name and a statement and/or a report (if any) included in this Prospectus with the consent of that party as specified in this Section.

CPS Capital Group Pty Ltd has given its written consent to being named as the lead manager of the Offer in this Prospectus and has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Moore Australia Corporate Finance (WA) Pty Ltd has given its written consent to being named as the Investigating Accountant in this Prospectus and to the inclusion of the Independent Assurance Report in Section 12 in the form and context in which the report is included. Moore Australia Corporate Finance (WA) Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Walker Wayland Audit (WA) Pty Ltd has given its written consent to being named as the auditor to the Company in this Prospectus and to the inclusion of the audited historical financial information of the Company as set out as being audited by Walker Wayland Audit (WA) Pty Ltd in the Prospectus. Walker Wayland Audit (WA) Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Additional Information

Rex Romae Pty Ltd (t/as Auranmore Consulting) has given its written consent to being named as the Investigating Geologist in this Prospectus and to the inclusion of the Independent Geologist's Report in Section 9 in the form and context in which the report is including the Unicup Project Minerals Resource Estimate and the Antwalker Project Exploration Target. Rex Romae Pty Ltd (t/as Auranmore Consulting) has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Richard Maddocks has given his written consent to be named in this Prospectus as the Competent Person in respect to the exploration results in relation to the Projects and the Unicup Project Minerals Resource Estimate and the Antwalker Project Exploration Target

Registry Direct Limited has given its written consent to being named as the Share Registry of the Company in this Prospectus and has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

GTP Legal Pty Ltd has given its written consent to being named as solicitors to the Company in this Prospectus and to the inclusion of the Mining Tenement Report in Section 10 in the form and context in which that report is included. GTP Legal Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

15.7 Litigation

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

15.8 Taxation

The acquisition and disposal of Shares 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 and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

15.9 Expenses of the Offer

The estimated cash expenses of the Offer is as follows:

Item of Expenditure	\$
ASIC and ASX fees	\$88,000
Lead Manager fees ¹	\$300,000
Independent Geologist's Report	\$20,000
Independent Assurance Report	\$11,000
Legal fees	\$65,000
Share registry, printing and other expenses	\$20,000
Total	\$504,000

Notes:

1. Refer to Section 14.3 for further details in respect to fees payable to the Lead Manager. The Lead Manager is also entitled to be issued 5,000,000 Advisor Options on completion of the Offer.

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DIRECTORS' AUTHORISATION



Directors' Authorisation

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

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

A handwritten signature in black ink, appearing to read "Haythorpe".

Andrew Haythorpe
Executive Chairperson for and on behalf of Allup Silica Limited

1 December 2021

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GLOSSARY



Glossary

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

A\$ or \$ means an Australian dollar.

Advisor Option means an Option with an exercise price of \$0.25 expiring 42 months from date of grant and otherwise granted on the terms and conditions set out in Section 15.2.

Allocation Policy means IPO allocations determined by the Company in consultation with the Lead Manager in accordance with the Allocation Policy in respect of the Offer as set out in Section 6.16.

Antwalker Project Exploration Target means the exploration target in Section 7.3 of this Prospectus.

Applicant means a person who submits an Application.

Application means a valid application for Shares offered under this Prospectus on an Application Form.

Application Form means the application form accompanying this Prospectus.

Application Monies means application monies for Shares accompanying an Application Form submitted by an Applicant.

Argyle Silica Exploration Project means the Big Cecil, Nearby Post and Cabbage Spot project areas located in the far north of Western Australia comprising tenements E80/5652, E80/5629 and E80/5524.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange operated by ASX Limited (as the context requires).

ASX Settlement Operating Rules means the settlement operating rules of the ASX.

Australian Accounting Standards means the Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board.

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

BPAY® means the payment mechanism used to pay Application Monies online.

Business Day means a week day when trading banks are ordinarily open for business in Perth, Western Australia.

Change of Control means:

- (a) the offeror under a Takeover Bid in respect of all Shares has achieved acceptances in respect of more than 50.01% of Shares and that Takeover Bid has become unconditional;
- (b) the announcement by the Company that Shareholders have, at a Court convened meeting of shareholders, voted in favour, by the necessary majority, of a proposed scheme of arrangement (other than to effect a restructure or redomicile) under which all securities of the Company are to be either:
 - (i) cancelled; or
 - (ii) transferred to a third party,
 and the Court, by order, approves the proposed scheme of arrangement; or
- (c) any person, individually or together with their Associates, acquires a Relevant Interest in 50.01% or more of the total number of Shares on issue by any other means (other than as a result of the transactions contemplated pursuant to the agreement to which these terms and conditions are attached).

CHESS means ASX's Clearing House Electronic Sub-register System.

Closing Date means the date on which the Offer closes as set out in the indicative timetable in the Key Information and Indicative Timetable Section.

Company means Allup Silica Limited ACN 163 173 224.

Conditions of the Offer mean the conditions of the Offer outlined in Section 6.2.

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

CPS Capital Group means CPS Capital Group Pty Ltd ACN 088 055 636, a company registered in the Commonwealth of Australia and holding an Australian financial services licence number 294848.

Directors mean the directors of the Company specified in Section 8.1.

Enterprise Value means the sum of the market capitalisation of the Company at the Offer Price less the expected net cash at completion of the Offer.

Esperance Silica Exploration Project means the Dune Buggy and Pink Bark project areas located in the south east of Western Australia comprising tenements E63/2137, E63/2138 and E63/2139.

Existing Shares means Shares at the date of this Prospectus.

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

Financial Information has the meaning given in Section 11.

FY means the abbreviation for the Financial Year ending 30 June.

GST has the same meaning as in A New Tax System (Goods & Services Tax) Act 1999 (Cth).

Independent Geologist's Report means the independent geologist's report in Section 9.

Independent Assurance Report means the investigating accountants report in Section 12.

Lead Manager means CPS Capital Group Pty Ltd ACN 088 055 636, a company registered in the Commonwealth of Australia and holding an Australian financial services licence number 294848.

Lead Manager Mandate has the meaning in Section 14.3.

Listing Rules means the official listing rules of ASX.

Mining Tenement Report means the solicitor's tenement report in Section 10.

Minimum Subscription has the meaning in Section 6.1.

Offer has the meaning as outlined in Section 6.1.

Offer Price means the offer price of a Share offered under the Offer, being \$0.20.

Official List means the official list of ASX.

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

Option means an option that on exercise entitles the holder to subscribe for a Share for the exercise price prior to the expiry date and includes the Advisor Options.

Projects means the Argyle Silica Exploration Project, Esperance Silica Exploration Project and the South-West Silica Exploration Project.

Prospectus means this prospectus and any supplementary or replacement prospectus in relation to this document.

Section means a section of this Prospectus.

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

Share Registry means Registry Direct Limited ACN 160 181 840.

Shareholder means a holder of Shares.

SRN means the security holder reference number issued by the Share Registry.

TFN means tax file number.

WST means Australian Western Standard Time, being the time in Perth, Western Australia.

South-West Silica Exploration Project means the Unicup, Antwalker and Pipeclay Tree project areas located in the south west of Western Australia comprising tenements E70/5455, E70/5745, E70/5682, E70/5447, E70/5527, and E70/5920.

Unicup Silica Sand Project Inferred Minerals Resource Estimate means the mineral resource in Section 7.3 of this Prospectus.

Terms defined in the Independent Geologist's Report have the same meaning when used in this Prospectus.

SUPPLEMENTARY PROSPECTUS
Allup Silica Limited
ACN 163 173 224

1. Important Information

This Supplementary Prospectus is dated 9 December 2021 and is supplementary to the prospectus dated 1 December 2021 (**Prospectus**) issued Allup Silica Limited ACN 163 173 224 (**Company**).

This Supplementary Prospectus was lodged ASIC on 9 December 2021. Neither ASIC nor ASX take responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus must be read together with the Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail. Terms defined in the Prospectus have the same meaning where used in this Supplementary Prospectus. For the avoidance of doubt, references to 'Section' in this Supplementary Prospectus mean references to that section of the Prospectus, unless otherwise stated.

This document is important and should be read in its entirety. Please consult your legal, financial or other professional adviser if you do not fully understand the contents.

Other than the changes set out below, all other details in relation to the Prospectus remain unchanged.

2. Reasons for Supplementary Prospectus

2.1 Purpose of this document

The purpose of this Supplementary Prospectus is to provide further disclosure about the resignation of Mr Peter Secker, for personal reasons, as a Director of the Company.

Mr Andrew Haythorpe, Executive Chairman of the Company, expresses his thanks to Mr Secker for his contributions to the Company to date.

2.2 Application Forms

As the content of this Supplementary Prospectus is not considered to be materially adverse to investors, applicants who have already subscribed for Securities under the Prospectus to the date of this Supplementary Prospectus do not need to take any action.

3. Amendments to the Prospectus

As Mr Peter Secker has resigned all references to Mr Peter Secker in the Original Prospectus are deleted including the following:

- (a) References to Peter Secker in the following Sections are deleted –
 - (i) Section 2 Corporate Directory (page 3);
 - (ii) Section 4.2 Board and Key Management (page 12);
 - (iii) Section 8.1 Director Profiles (page 48);
 - (iv) Section 8.4 Directors' Security Holdings (page 50);

**This is a supplementary prospectus intended to be read with the prospectus dated 1 December 2021
issued by Allup Silica Limited ACN 163 173 224.**

- (v) Section 8.7 Remuneration of Directors (page 51);
 - (vi) Section 8.9 Corporate Governance, Composition of the Board (page 55); and
 - (vii) Section 8.9 Corporate Governance, ASX Corporate Governance Principles and Recommendations (Heading "Composition of the Board") should now read "The Board is currently comprised of four Directors including one independent Non-Executive Directors" (page 58).
- (b) The following Sections are deleted:
- (i) Section 8.1 Director Profiles (Peter Secker) (page 48); and
 - (ii) Section 8.8.4 Peter Secker – Non-Executive Director (page 53).
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4. Directors' Authorisation

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

In accordance with section 720 of the Corporations Act, each Existing Director and Proposed Director has consented to the lodgement of this Supplementary Prospectus with ASIC and has not withdrawn that consent.

This Supplementary Prospectus is signed for and on behalf of Company by:



Andrew Haythorpe
Executive Chairman
9 December 2021

SUPPLEMENTARY PROSPECTUS
Allup Silica Limited
ACN 163 173 224

1. Important Information

This Supplementary Prospectus is dated 4 February 2022 (**Second Supplementary Prospectus**) and is supplementary to the prospectus dated 1 December 2021 (**Prospectus**) and the supplementary prospectus dated 9 December 2021 (**First Supplementary Prospectus**) issued by Allup Silica Limited ACN 163 173 224 (**Company**).

This Second Supplementary Prospectus was lodged ASIC on 4 February 2022. Neither ASIC nor ASX take responsibility for the contents of this Supplementary Prospectus.

This Second Supplementary Prospectus must be read together with the Prospectus and First Supplementary Prospectus. If there is a conflict between the Prospectus, First Supplementary Prospectus and this Second Supplementary Prospectus, this Second Supplementary Prospectus will prevail. Terms defined in the Prospectus have the same meaning where used in this Second Supplementary Prospectus. For the avoidance of doubt, references to 'Section' in this Second Supplementary Prospectus mean references to that section of the Prospectus, unless otherwise stated.

This document is important and should be read in its entirety. Please consult your legal, financial or other professional adviser if you do not fully understand the contents.

Other than the changes set out below, all other details in relation to the Prospectus remain unchanged.

2. Reasons for Supplementary Prospectus

The purpose of this Second Supplementary Prospectus is to provide further disclosure about:

- (a) the extension of the Closing Date of the Offer to 18 February 2022 and update the timetable accordingly;
- (b) refreshing the period for:
 - (i) admission to quotation of Shares offered under the Prospectus;
 - (ii) the minimum subscription to the Offer under the Prospectus being achieved, pursuant to the ASIC Corporations (Minimum Subscription and Quotation Conditions) Instrument 2016/70 (**Instrument**); and
- (c) providing addition disclosure in relation to a consulting agreement the Company has entered into in respect of the application and grant of various of its tenements.

The Company made a decision on consultation with the Lead Manager shortly after lodgement of the Prospectus that the Company and Lead manager would not market the Offer until after Christmas and New Year and accordingly would not commence accepting applications until late January. Having made this decision it is necessary for the Company to extend the dates by which the Quotation Condition and Minimum Subscription Condition (see Section 3 of this Second Supplementary Prospectus for further information) prior to the dates required as the Company had not started marketing the Offer and accepting applications prior to the lodgement of this Second Supplementary Prospectus.

This is a second supplementary prospectus intended to be read with the prospectus dated 1 December 2021 and first supplementary prospectus dated 9 December 2021 issued by Allup Silica Limited ACN 163 173 224.

3. Specific Disclosures Required by Legislative Instrument 2016/70

3.1 Purpose

This Second Supplementary Prospectus has been prepared to:

- (a) refresh the period for admission to quotation of Shares offered under the Prospectus from three months from the date of the Prospectus to three months from the date of the Second Supplementary Prospectus (**Quotation Condition**); and
- (b) refresh the period for the minimum subscription to the Offer under the Prospectus being achieved from the date four months after the date of the Prospectus to four months from the date of the Second Supplementary Prospectus (**Minimum Subscription Condition**),

pursuant to ASIC Corporations (Minimum Subscription and Quotation Conditions) Instrument 2016/70 (Instrument).

3.2 Quotation Condition

The Company makes the following statements regarding the Quotation Condition as required by the Instrument:

- (a) an application for admission to quotation of Shares offered under the Prospectus was made within seven days after the date of the Prospectus;
- (b) the Shares offered under the Prospectus have not been admitted to quotation as at the date of the Second Supplementary Prospectus;
- (c) the ASX has not, at the date of this Second Supplementary Prospectus, indicated that the Company's securities will be admitted to quotation, on a conditional basis or otherwise;
- (d) the Quotation Condition is being amended to extend the period for admission to quotation of Shares offered under the Prospectus from three months from the date of the Prospectus to three months from the date of the Second Supplementary Prospectus;
- (e) the Quotation Condition must be satisfied by 4 May 2022, being the date three months from the date of the Second Supplementary Prospectus; and
- (f) as at the date of the Second Supplementary Prospectus, the number of Shares for which applications have been received is nil.

3.3 Minimum Subscription Condition

The Company makes the following statements regarding the Minimum Subscription Condition as required by the Instrument:

- (a) as at the date of the Second Supplementary Prospectus, no amount has been raised meaning that no applications for Shares under the Prospectus have been received;
- (b) the Minimum Subscription Condition is being amended to extend the period for the minimum subscription being achieved from the date four months from the date of the Prospectus to four months from the date of the Second Supplementary Prospectus; and
- (c) the Minimum Subscription Condition must be satisfied by 4 June 2022 being the date that is four months from the date of the Second Supplementary Prospectus.

4. Amendments to the Prospectus

4.1 Minimum Subscription

The fourth paragraph of Section 6.1 of the Prospectus is replaced with the following:

The minimum level of subscription for the Offer is the amount to be raised under the Offer of \$5,000,000 (before costs of the Offer) (**Minimum Subscription**). No Shares will be issued under this Prospectus until the Minimum Subscription has been achieved. If the Minimum Subscription is not received within four months after the date of the Second Supplementary Prospectus (or such period as varied by ASIC), no Shares will be issued under this Prospectus and all Application Monies received under this Prospectus will be repaid (without interest) in accordance with the Corporations Act.

4.2 ASX Listing

The first paragraph of Section 6.6 on page 24 of the Prospectus is deleted and replaced with the following:

The Company will apply to ASX within seven days after the date of this Prospectus for admission to the Official List and for Official Quotation of the Shares, other than any existing Shares that the ASX is likely to treat as "restricted securities" (as that term is defined in the Listing Rules). Refer to Section 6.10 for details of Shares that the ASX is likely to treat as "restricted securities". If the Shares are not admitted to Official Quotation by ASX before the expiration of three month after the date of issue of the Second Supplementary Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and all application monies received for the Shares will be repaid within the time prescribed under the Corporations Act, without interest.

4.3 Application Monies to be held in Trust

Section 6.15 of the Prospectus is deleted and replaced with the following:

Until Shares are issued under this Prospectus, the Application Monies for Shares under the Offer will be held by the Company on trust on behalf of Applicants in a separate bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus. If the Shares to be issued under this Prospectus are not admitted to quotation within three months after the date of the Second Supplementary Prospectus, no Securities will be issued and Application Monies will be refunded in full without interest in accordance with the Corporations Act.

4.4 Timetable

The Timetable in the "key Information and Indicative Timetable Section" on page 5 of the Prospectus be updated as follows:

Indicative timetable	Date
Lodgement of this Second Supplementary Prospectus with ASIC	4 February 2022
Opening Date for the Offer	4 February 2022
Closing Date for the Offer	18 February 2022
Issue of Shares under the Offer	11 March 2022
Dispatch of holding statements	18 March 2022
Expected date for Official Quotation on the ASX	24 March 2022

4.5 Update of dates in the Prospectus

The date in the below question on page 18 of Section 4.4 of the Prospectus be updated to 18 March 2022.

When will an Applicant receive confirmation that my Application has been successful?	It is expected that initial holding statements will be dispatched to successful Applicants by standard post on or around 27 January 2022.	Section 3
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4.6 Norvale Consulting Agreement

The Company has entered into a consulting agreement with Norvale Pty Ltd (**Nornvale**) under which Norvale will assist the Company with the grant of various tenements within a defined area (being E63/2137, E63/2138 and E63/2139). In consideration for the consultancy services the Company:

- (a) has paid \$5,000 to Norvale on registration of applications for E63/2137, E63/2138 and E63/2139;
- (b) will on hand auger sampling being conducted on E63/2137, E63/2138 and E63/2139 and the samples having been screened, dried and organic matter removed confirm through Nagrom analysis that the sample analysis meets minimum specifications of acceptable purity of greater than 99% SiO₂ and less than 150ppm Fe₂O₃ issue \$20,000 worth of Shares to Norvale at an issue price per Share equal to the volume weighted average price of the Shares on the ASX over the 20 trading days prior to the milestone being met;
- (c) subject to the sample analysis meeting the minimum specifications of acceptable purity of greater than 99% SiO₂ and less than 150ppm Fe₂O₃ will on grant of E63/2137, E63/2138 and E63/2139 issue \$80,000 worth of Shares to Norvale at an issue price per Share equal to the volume weighted average price of Shares on the ASX over the 20 trading days prior to the date of grant; and
- (d) will pay a 2% net smelter royalty on all minerals recovered from E63/2137, E63/2138 and E63/2139. As an alternative to paying Norvale the royalty, the Company may make a lump sum payment to Norvale of an amount equivalent to 75% of an independent expert's calculation of the net present value of the royalty.

Nornvale has acknowledged that some or all of the Shares issued to Novale under this arrangement may be subject to ASX escrow and accordingly have agreed to enter into such form of escrow agreement as required by the ASX.

4.7 Risks

Section 13.1(k) (Royalties) of the Prospectus is deleted and replaced with the following:

The Company's Projects are subject to State royalties and private royalties over E80/5524 (being one of the Tenements within the Kimberley Project) and E63/2137, E63/2138 and E63/2139 (being the tenements comprising the Esperance Silica Exploration Project). The existence of such royalties may impact the profitability and commercial viability of the Company's Projects should exploration on the Company's Project be successful). Further if State royalties increase in the future, the profitability and commercial viability of the Company's Projects may be negatively impacted.

This is a second supplementary prospectus intended to be read with the prospectus dated 1 December 2021 and first supplementary prospectus dated 9 December 2021 issued by Allup Silica Limited ACN 163 173 224.

5. Application Forms

As the Company has not made applications available under the Offer it has not received any applications under the Offer. Accordingly the Company is not required to offer withdrawal rights for one month to investors who have already made an application under the Offer.

Applicants who wish to make an application under the Offer after the lodgement of this Second Supplementary Prospectus should do so in accordance with the instructions in the Prospectus.

6. Directors' Authorisation

This Second Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Existing Directors and the Proposed Directors.

In accordance with section 720 of the Corporations Act, each Existing Director and Proposed Director has consented to the lodgement of this Second Supplementary Prospectus with ASIC and has not withdrawn that consent.

This Second Supplementary Prospectus is signed for and on behalf of Company by:



Andrew Haythorpe
Executive Chairman
4 February 2022

This is a second supplementary prospectus intended to be read with the prospectus dated 1 December 2021 and first supplementary prospectus dated 9 December 2021 issued by Allup Silica Limited ACN 163 173 224.

SUPPLEMENTARY PROSPECTUS
Allup Silica Limited
ACN 163 173 224

1. Important Information

This Supplementary Prospectus is dated 21 April 2022 (**Third Supplementary Prospectus**) and is supplementary to the prospectus dated 1 December 2021 (**Prospectus**), the supplementary prospectus dated 9 December 2021 (**First Supplementary Prospectus**) and the supplementary prospectus dated 4 February 2022 (**Second Supplementary Prospectus**) issued by Allup Silica Limited ACN 163 173 224 (**Company**).

This Third Supplementary Prospectus was lodged ASIC on 21 April 2022. Neither ASIC nor ASX take responsibility for the contents of this Supplementary Prospectus.

This Third Supplementary Prospectus must be read together with the Prospectus and First Supplementary Prospectus and the Second Supplementary Prospectus. If there is a conflict between the Prospectus, First Supplementary Prospectus, Second Supplementary Prospectus and this Third Supplementary Prospectus, this Third Supplementary Prospectus will prevail. Terms defined in the Prospectus have the same meaning where used in this Third Supplementary Prospectus. For the avoidance of doubt, references to 'Section' in this Third Supplementary Prospectus mean references to that section of the Prospectus, unless otherwise stated.

This document is important and should be read in its entirety. Please consult your legal, financial or other professional adviser if you do not fully understand the contents.

Other than the changes set out below, all other details in relation to the Prospectus remain unchanged.

2. Reasons for Supplementary Prospectus

The purpose of this Third Supplementary Prospectus is to provide further disclosure about:

- (a) surface sampling activities undertaken on the Company's projects prior to the grant of the applicable tenements;
- (b) the possible consequences of such sampling activities being undertaken prior to grant of the applicable tenement.

3. Amendments to the Prospectus

3.1 Timetable

The Timetable in the "key Information and Indicative Timetable Section" on page 5 of the Prospectus be updated as follows:

Indicative timetable	Date
Lodgement of this Third Supplementary Prospectus with ASIC	21 April 2022
Issue of Shares under the Offer	22 April 2022
Dispatch of holding statements	26 April 2022

This is a third supplementary prospectus intended to be read with the prospectus dated 1 December 2021, first supplementary prospectus dated 9 December 2021 and second supplementary prospectus dated 4 February 2022 issued by Allup Silica Limited ACN 163 173 224.

3.2 Pre-grant surface sampling on Projects

A new Section 7.14 is added to the Prospectus as follows.

7.14 Pre-grant surface sampling on Projects

Surface sampling programs on the Unicup Project (tenement E70/5447), Antwalker Project (tenement application E70/5455) and Cabbage Spot Project (tenement E80/5524) which is part of the Argyle Sands Project as detailed below.

On the 03/06/2020 19 samples were taken from 17 locations in the area on and surrounding Unicup Project tenement E70/5447 (see figure 5 of the Independent Geologist's Report for locations) on the Unicup Project. Each sample was approximately 200 grams in volume/size. A total of approximately 4 kilograms of samples were collected. At this time, tenement E70/5447 was not a granted tenement, not being granted until the 14/12/2020. Access was conducted via accessible minor unsealed roads or tracks, only hand-tools were used in the sample's extraction and the location of the samples were next to such minor unsealed roads or tracks none of which were gazetted roads or roads in respect of which there is a road reserve or on private land, of which the Company had lawful access from the landowners.

On the 15/07/2020 21 samples were taken from 11 locations from the area on and surrounding the non-granted Antwalker Project tenement application E70/5455 (see figure 11 of the Independent Geologist's Report for locations). Each sample was approximately 200 grams in volume/size. A total of approximately 4 ½ kilograms of samples were collected. Access was conducted via accessible minor unsealed roads or tracks, only hand-tools were used in the sample's extraction and the location of the samples were next to such minor unsealed roads or tracks none of which were gazetted roads or roads in respect of which there is a road reserve.

At the time the above samples were taken the Company was not aware of the need to hold a miner's right to take the samples given the tenements were not granted which was an administrative oversight. The Company has subsequently obtained a miner's right.

On the 13/03/2021 10 samples were taken from the area of the Cabbage Spot Project tenement E80/5524 (see figure 22 of the Independent Geologist's Report for locations) being part of the Argyle Sands Project. Each sample was approximately 200 grams in volume/size. A total of approximately 2 kilograms of samples were collected. Samples from tenement E80/5524 were provided to Allup Silica by Craig Rugless who is a practicing geologist with over 40+ years' experience who is associated with the vendor of the tenement who sold the tenement to the Company. Craig Rugless was the holder of a miner's right at the time the samples were taken. Samples were transported directly to the assay laboratory where they were first inspected by Allup Silica and then lodged for assay.

At that time, tenement E80/5524 was not owned by the Company. The Company did not complete on the transfer of the tenement until 23/11/2021.

The Company notes that at the time the samples were taken, tenement E80/5524 was not a granted tenement, not being granted to the vendor until the 26/08/2021, but Craig Rugless who took the samples was the holder of a miner's right. Access from the sampling program was conducted via helicopter, only hand-tools were used in the sample's extraction and the location of the samples were taken in a generally randomised spacing. The vendor of the tenement has subsequent to the sampling program and grant of the tenement received Program of Work Approval subject to standard conditions to undertake further exploration on that part of the land from which the samples were taken. This Program of Works Approval will need to be transferred to the Company.

The Mining Act in Western Australia provides that a person shall not carry on mining (which includes exploration activities) on any land unless duly authorised under the Mining Act or any other act to do so.

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A granted tenement (with appropriate approvals) or a miner's right are examples of due authorisation for these purposes of the Mining Act. Further information on this is contained in Section 11A of the Mining Tenement Report.

The above surface sampling activities prior to grant of E70/5447 does not have any automatic adverse effect on the good standing of the tenement which has been granted at the Unicup Project (E70/5447), nor does the conduct of the sampling affect the validity of the exploration licence application for the grant of the Antwalker Project (E70/5455). Further information on this is contained in Section 11A of the Mining Tenement Report.

It is possible that action could be taken against the Company under the Mining Act in respect of the surface soil samples taken prior to grant on the Unicup Project (E70/5447) or the Antwalker Project (E70/5455). See Section 11A of the Mining Tenement Report for a summary of the potential action that could be taken.

Notwithstanding that action could be taken against the Company for taking these samples prior to the grant of the relevant tenements, the Company believes that this is unlikely, and if taken is unlikely in the Company's view to result in a loss of tenements, for reasons including:

- (a) the pre-grant surface sampling activities at the Unicup Project (E70/5447) and the Antwalker Project (E70/5455) could have been conducted using a miner's right;
- (b) the soil sampling programs undertaken complied with requirements for sampling with a miner's right;
- (c) the soil sampling program was minor with a total of 19 samples being taken at Unicup Project (E70/5447) with each sample being approximately 200 grams with a total of 4 kilograms of samples being collected while at Antwalker Project (E70/5455) a total of 21 samples were taken with each sample being approximately 200 grams with a total of 4.5 kilograms of samples being collected;
- (d) the soil sampling programs were conducted using handheld equipment with no machinery used and there was no impact on the environment as a result of the samples being taken;
- (e) the value of the silica sand in the 8.5 kilograms of samples taken is negligible given that silica sand sells for prices of \$50-\$120 per tonne (depending on the quality of the sand); and
- (f) no underlying landholders from where the samples were taken were aggrieved by the samples being taken.

The Company further notes that the above surface samples that were taken within the tenement area at the Unicup Project and Antwalker Project were taken on the verges of various minor unsealed roads and tracks within the applicable tenement area none of which are gazetted roads or within current road reserves.

At the Unicup Project it is not the Company's current intention to conduct further exploration on the verges of such unsealed tracks as it will focus its efforts on exploration within the areas near to and surrounding the tracks most of which are either unallocated crown land or private land (which the Company has access agreements with the landowner). Given the nature of the silica sand deposits the Company and the Independent Geologist (Section 2.2.2 of the Independent Geologists Report) are of both of the view that these samples are representative of the silica sand mineralisation located in the general area. The geology of the sand deposits in this region means that each deposit typically contains similar chemical composition characteristics and occur as a bedded formation that span over an area of the deposit. Generally, these sand deposits are homogenous and therefore likely that the sand in the general area of the samples are likely to be of similar nature. Notwithstanding this, if the Company decided to conduct further exploration from such road verges it can be done following a consultation process with the local shire, a process which is commonly followed by mineral exploration companies.

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At the Antwalker Project the locations and positioning of the samples were also taken to match some of the historical drilling undertaken by BHP in 2000 (see figure 11 of the Independent Geologist's Report for locations). Given the nature of the silica sand deposits the Company and the Independent Geologist (Section 2.3.2 of the Independent Geologists Report) are of both of the view that these samples are representative of the silica sand mineralisation located in the general area. The geology of the sand deposits in this region means that each deposit typically contains similar chemical composition characteristics and occur as a bedded formation that span over an area of the deposit. Generally, these sand deposits are homogenous and therefore likely that the sand in the general area of the samples are likely to be of similar nature. The Company has a submitted draft application and the supporting environmental and other studies currently under review by the Department of Biodiversity, Conservation and Attractions, which is part of the approvals process required for the grant of tenement application E70/5455 and the proposed future exploration program, of which the locations of the proposed exploration program are consistent or typical to the current sample locations. Should this tenement be granted the Company does not expect, subject to standard approvals for such exploration programs, any issue in conducting exploration in the areas where the samples were taken.

3.3 Amendments to Independent Geologist's Report

The following information is added to the Independent Geologists Report.

Unicup Project - at the end of Section 2.2.2 of the Independent Geologists Report on page 77 of the Prospectus add the following text.

The 19 samples referred to above taken by the Company were taken on 03/06/2020 from the area on and surrounding tenement E70/5447 (see figure 5 of the Independent Geologist's Report for locations) on the Unicup Project. Each sample was approximately 200 grams in volume/size. A total of approximately 4 kilograms of samples were collected. At this time, tenement E70/5447 was not a granted tenement, not being granted until the 14/12/2020. Access was conducted via accessible minor unsealed roads or tracks, only hand-tools were used in the sample's extraction and the location of the samples were next to such minor unsealed roads or tracks none of which were gazetted roads or roads in respect of which there is a road reserve or on private land, of which the Company had lawful access from the landowners.

The samples were taken by the Company in a generally randomised spacing in or around the areas of visual occurrence of localised sand deposits. The geology of the sand deposits in this region means that each deposit typically contains similar chemical composition characteristics and occur as a bedded formation that span over an area of the deposit. Generally, these sand deposits are homogenous and therefore likely that the sand in the general area of the samples are likely to be of similar nature. Some samples were taken near the location of historical drilling undertaken by BHP in 2000 (see figure 5 for locations).

Antwalker Project - at the end of Section 2.3.2 of the Independent Geologists Report following Figure 13 on page 83 of the Prospectus add the following text.

The 21 hand auger samples referred to above were taken on 15/07/2020 from the area on and surrounding the non-granted Antwalker Project tenement application E70/5455 (see figure 11 for locations). Each sample was approximately 200 grams in volume/size. A total of approximately 4 ½ kilograms of samples were collected. Access was conducted via accessible minor unsealed roads or tracks, only hand-tools were used in the sample's extraction and the location of the samples were next to such minor unsealed roads or tracks none of which were gazetted roads or roads in respect of which there is a road reserve.

At the Antwalker Project the locations and positioning of the samples were also taken to match some of the historical drilling undertaken by BHP in 2000 (see figure 11 for locations). The geology of the sand deposits in this region means that each deposit typically contains similar chemical composition characteristics and occur as a bedded formation that span over an area of the deposit. Generally, these sand deposits are homogenous and therefore likely that the sand in the general area of the samples are likely to be of similar nature.

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Argyle Sands Project – at the end of Section 3.2 of the Independent Geologists Report prior to Figure 22 on page 96 of the Prospectus delete the last paragraph and replace it with the below.

On the 13/03/2021 10 samples were taken by Mr Craig Rugless, a practising geologist, on behalf of the tenement applicant (the vendor of the asset to the Company) from the area of the Cabbage Spot Project tenement E80/5524 (see figure 22 for locations) being part of the Argyle Sands Project. Each sample was approximately 200 grams in volume/size. A total of approximately 2 kilograms of samples were collected. Access was conducted via helicopter, only hand-tools were used in the sample's extraction and the location of the samples were taken in a generally randomised spacing.

Appendix 1: JORC Table of the Independent Geologist's Report – the following updates to the JORC table are made at Page 111 of the Prospectus, Appendix 1: JORC Table – delete the existing section "Exploration done by other parties" and replace with the following:

Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	<p>Exploration by other parties has focused on coal within the sediments and base metals and gold in the basement rocks in and around the Unicup Project tenement E70/5447.</p> <p>BHP Mineral has carried out an air-core drilling programs targeting the basement and in doing so has drilled through sand horizons. Seven holes totalling 244m were drilled within the Antwalker Project. Allup Silica has used this drilling to estimate an Exploration Target for the Antwalker Project EL Application 70/5455.</p> <p>Triton Gold Ltd drilled 107 air-core holes totalling 2,308m on the Pink Bark tenement E63/2139 in the Esperance Sands Project exploring for gold.</p> <p>Samples from tenement E80/5524 (Cabbage Spot Project) were provided to Allup Silica by a third-party who was a related party to the vendor of this tenement. On 13/03/2021 the samples were taken by Craig Rugless who is a practicing geologist with over 40+ years' experience and they were transported directly to the assay laboratory where they were inspected by Allup Silica prior to lodgement for assay.</p>
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3.4 Updates to the Mining Tenement Report

The following new section 11A is added to the Mining Tenement Report on page 134 of the Prospectus as follows.

Duly authorised mining activities under the Mining Act

A person who wishes to access land for the purposes of mining is required to be duly authorised to do so. There are various means by which a party is "duly authorised" to carry on mining on any land and include include operating with requisite approvals under a granted a mining tenement (such as a prospecting, exploration, miscellaneous or retention licence or a mining or general purpose lease) or operating under a miner's right.

By section 155(1) of the Mining Act, a person shall not carry on mining on any land unless he is duly authorised under the Mining Act or any other act to do so. Contravention of s 155(1) is an offence. In s 155(1) "mining" should be construed by reference to the statutory definition. The Mining Act defines mining to include "fossicking, prospecting and exploring for minerals, and mining operations".

Where action is taken against a party for unauthorised access for taking samples and a contravention is established, the unlawful taking of mineral samples on the area of an exploration licence application does not invalidate the applications or titles (once granted) nor are such titles of no legal force or effect by reason of unauthorised taking of samples while the applications were pending.

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It is noted that Unicup Project (E70/5447) has been granted since samples were taken from the area of the exploration licence application while pending. It is noted that Antwalker Project (E70/5455) remains an exploration licence application with its grant being progressed by the Company.

It is noted that under the Mining Act the grant of all exploration tenements is subject to the approval of the minister whereby the minister could refuse, in the minister's discretion, the grant of an application for an exploration licence on public interest grounds. The ambit of matters that falls within the term "public interest" is broad and unauthorised access for conducting mining activities maybe within the ambit of the broad public interest discretion of the minister in the grant process.

It is also further noted that any exploration licence granted under the Mining Act may be liable to forfeiture where the holder is convicted of an offence under the Mining Act. Where an exploration licence is liable to forfeiture, the Minister may cause the licence to be forfeited by declaration and notice. The Minister, as he thinks fit in the circumstances of the case, as an alternative to causing the licence to be forfeited may impose on the holder of the licence a penalty or elect not to take any further action.

As detailed above a miner's right provides a party seeking to take samples due authority under section 155(1) of the Mining Act. A miner's right is an authorisation of unlimited duration issued for the prescribed application fee of \$29.50. A miner's right allows entry to Crown land for the purpose of prospecting (which includes taking samples) and the extraction or removal from Crown land with as little damage to the surface of the land as possible, of samples or specimens of minerals that shall not, on each occasion a sample or specimen is taken, exceed 20 kg.

3.5 Risks

A new risk Section 13.1(ab) is added to the Prospectus as follows.

13.1(ab) Pre-grant sampling

As detailed in Section 7.14 of the Prospectus several sampling programs were conducted on the Projects prior to the their grant. The Mining Act in Western Australia provides that a person shall not carry on mining (which includes exploration activities) on any land unless duly authorised under the Mining Act or any other act to do so (see section 11A of the Mining Tenement report for further information). Given the tenements from which the pre-grant samples were taken were not granted at the time no authority under the Mining Act existed for the samples to be taken. Accordingly, there is a risk that action could be taken against the Company and if successful a fine levied against the Company for each sampling program that was found to be unauthorised. Further if the Company is convicted of an offence in respect of the surface sampling activities without due authorisation under the Mining Act it is possible that the Minister responsible for the Mining Act could exercise his discretion under the Mining Act to further impose further sanctions in respect of tenements held by the Company which could include further fines or forfeiture of all or some of the tenements of the offending party.

3.6 Amendments to agreements

In the summary of the Cabbage Spot Project Sale Agreement in Section 14.2 of the Prospectus the deferred consideration is amended from \$100,000 payable in Shares to \$100,000 payable in cash on achievement of the milestone detailed in that summary.

In the summary of the Norvale Consulting Agreement in Section 4.6 of the Second Supplementary Prospectus the deferred consideration in sections 4.6(b) and (c) will be payable in cash not in Shares on achievement of the milestone detailed in that summary.

This is a third supplementary prospectus intended to be read with the prospectus dated 1 December 2021, first supplementary prospectus dated 9 December 2021 and second supplementary prospectus dated 4 February 2022 issued by Allup Silica Limited ACN 163 173 224.

4. Application Forms

The Directors believe that the information in this Third Supplementary Prospectus is not materially adverse from the point of view of an investor and is provided by way of update. Investors who have already made an application under the Offer are not required to do anything further.

5. Directors' Authorisation

This Third Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Third Supplementary Prospectus with ASIC and has not withdrawn that consent.

This Third Supplementary Prospectus is signed for and on behalf of Company by:



Andrew Haythorpe
Executive Chairman
21 April 2022

This is a third supplementary prospectus intended to be read with the prospectus dated 1 December 2021, first supplementary prospectus dated 9 December 2021 and second supplementary prospectus dated 4 February 2022 issued by Allup Silica Limited ACN 163 173 224.

Guide to the Application Form

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THE APPLICATION FORM.

Please complete all relevant sections of the appropriate Application Form using BLOCK LETTERS. These instructions are cross-referenced to each section of the Application Form.

Instructions

1. If applying for Securities insert the number of Shares for which you wish to subscribe at Item A (not less than 10,000 shares and then in multiples of 2,500 shares).
2. Multiply by \$0.20 AUD to calculate the total for Shares and enter the \$ amount.
3. Write your full name. Initials are not acceptable for first names.
4. Enter your postal address for postal correspondence. All postal correspondence to you from the Company will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
5. If you are sponsored in CHESS by a stockbroker or other CHESS participant, you may enter your CHESS HIN if you would like the allocation to be directed to your HIN. NB: your registration details provided must match your CHESS account exactly.
6. Enter your Australian tax file number ("TFN") or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN/ ABN of each joint Applicant. Collection of TFNs is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form.
7. Enter your telephone number so we may contact you regarding your Application Form or Application Monies.
8. Enter your email address. This field is not compulsory. If you provide an email address, you declare that you wish to have corporate communications emailed rather than posted.

Correct Forms of Registrable Title

Note that ONLY legal entities can hold the Securities. The Application must be in the name of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and surname is required for each natural person.

Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registrable Title	Incorrect Form of Registrable Title
Individual	Mr John David Smith	J D Smith
Company	ABC Pty Ltd	ABR P/L or ABC Co
Joint Holdings	Mr John David Smith & Mrs Mary Jane Smith	John David & Mary Jane Smith
Trusts	Mr John David Smith <J D Smith Family A/C>	John Smith Family Trust
Deceased Estates	Mr Michael Peter Smith <Est Lte John Smith A/C>	John Smith (deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/Unincorporated Bodies	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
Superannuation Funds	John Smith Pty Limited <J Smith Super Fund A/C>	John Smith Superannuation Fund

Lodgement

Mail your completed Application Form to the following address **by no later than 3:00pm AWST on 18 February 2022** (date subject to change):

Mailing address: Registry
Direct Limited PO Box 18366
Collins Street East VIC 8003

It is not necessary to sign or otherwise execute the Application Form.

If you have any questions regarding the Application Form, please contact Registry Direct on 1300 55 66 35 or email registry@registrydirect.com.au.

**5 CHESS participant - Holder Identification Number (HIN)
(not compulsory)**

X									
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Important please note: if the name & address details above in sections 3 & 4 do not match exactly with your registration details held at CHESS, any Shares issued as a result of your application will be held on the Issuer Sponsored subregister.

6 Enter your tax file number(s), ABN, or exemption category

Applicant 1

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Applicant 2

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Applicant 3

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7 Contact telephone number (mobile)

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8 Email address (not compulsory)

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By providing your email address, you declare you wish to receive corporate communications via email.

Privacy Statement:

The Share Registry's Privacy Policy (**Privacy Policy**) also sets out important information relating to the collection, use and disclosure of all personal information that you provide to the Share Registry. Please ensure that you and all relevant individuals have read the Privacy Policy carefully before submitting the Application Form. The Privacy Policy can be found on the website <https://www.registrydirect.com.au/privacy-policy/>.

Registry Direct Limited advises that Chapter 2C of the Corporations Act 2001 (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your shareholding and if some or all of the information is not collected then it might not be possible to administer your shareholding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting Registry Direct at the address or telephone number shown on the Application Form.