



ASX announcement

15 March 2018

ENEABBA TO ACQUIRE TWO SIGNIFICANT LITHIUM EXPLORATION PROJECTS SITUATED IN THE SAN LUIS LITHIUM REGION OF ARGENTINA

HIGHLIGHTS

- **Eneabba to acquire two highly prospective lithium exploration projects in Argentina through the acquisition of Domingo Lithium**
- **Argentina projects are adjacent to and surround historical lithium pegmatite mining operations that produced spodumene concentrate grading between 6% to 8% Li₂O**
- **CPS Capital engaged to lead manage a capital raising of \$3 million**

Eneabba Gas Limited (ASX: ENB) (**Eneabba** or **Company**) is pleased to announce that it has entered into a binding heads of agreement (**Heads of Agreement**) to acquire all of the securities in Domingo Lithium Pty Ltd (**Domingo**) (**Proposed Acquisition**). The key terms of the Proposed Acquisition are set out in Schedule 1 of this announcement.

Overview of Domingo

1. Domingo was incorporated in October 2017 with the principal objective of acquiring assets to explore for and develop lithium deposits. To that end it has acquired:
 - (a) Argentinean subsidiary, Orlico S.A., the holder of rights to acquire exploration permits in Argentina (the acquisition of which is a condition precedent to completion of the Proposed Acquisition – Domingo's Argentinean advisors have indicated that it is their expectation that the permits will be granted within the next 2 to 3 months); and
 - (b) an exploration tenement in New South Wales and an exploration tenement application in Western Australia.
2. As at the date of this announcement, Domingo has seven shareholders. Its largest shareholder is Strat Plan Pty Ltd, which will be entitled to approximately 32% of the shares in the Company to be issued to the Domingo vendors. As a consequence of the Proposed Acquisition, if

For personal use only

approved, Strat Plan is expected to hold approximately 9.7% of the listed merged entity, and the Domingo vendors collectively will own approximately 33.1%.

Capital raising

- To assist Eneabba to re-comply with Chapters 1 and 2 of the Listing Rules and to support its exploration strategy post-completion of the Proposed Acquisition, the Company plans, subject to shareholder approval, to conduct a capital raising under a full form prospectus to raise a minimum subscription of \$3.0 million (**Public Offer**) at an issue price of not less than \$0.03 per share (on a post-consolidation basis – see paragraph 10 for details). CPS Capital Group Pty Ltd (**CPS**) has been appointed as lead manager to the Public Offer.
- The Public Offer will not be underwritten.

Use of funds

- The table below sets out the intended use of funds raised under the Public Offer together with existing cash reserves over 2 years following reinstatement to quotation (numbers are approximate):

<u>Sources of funds</u>	
Cash on hand of the Company and Domingo	500,000
Funds raised under the Public Offer	3,000,000
Total funds available	3,500,000
<u>Use of funds</u>	
Exploration of Argentina tenements	1,100,000
Exploration of Australian tenements	300,000
Expenses associated with the Proposed Acquisition ¹	350,000
Administration expenses	300,000
Working capital	1,450,000
Total use of funds	3,500,000

Control issues

- No shareholder will hold a relevant interest in more than 20% of Eneabba following completion of the Proposed Acquisition. As a consequence, there are no control issues associated with the Proposed Acquisition.

Effect of the Proposed Acquisition on the consolidated entity's consolidated total assets and total equity interests

7. The principal effects of the Proposed Acquisition on Eneabba's consolidated statement of financial position will be:
- (a) current assets will increase by approximately \$2,515,000 comprised of the net proceeds of the Public Offer and Domingo's expected cash balance as at completion of the Proposed Acquisition; and
 - (b) total equity interests will increase by a corresponding amount.

Effect of the Proposed Acquisition on the consolidated entity's revenue, expenditure and profit before tax

8. The principal effects of the Proposed Acquisition on Eneabba's consolidated statement of financial performance for the financial year ended 30 June 2018 will be:
- (a) revenues will be increased by approximately \$2,000, comprised principally of interest earned on cash balances – management does not expect to generate revenues from operations or sale of assets during the relevant period;
 - (b) expenditure will be increased by approximately \$140,000 comprised principally of expenses related to exploration expenditure on Domingo's projects (\$100,000) and corporate overheads (\$40,000); and
 - (c) net profit (loss) is expected to be approximately (\$138,000).
9. The principal effects of the Proposed Acquisition on Eneabba's consolidated statement of financial performance for the financial year ended 30 June 2019 will be:
- (a) revenues will be increased by approximately \$25,000, comprised principally of interest earned on cash balances – management does not expect to generate revenues from operations or sale of assets during the relevant period;
 - (b) expenditure will be increased by approximately (\$1.14 million), comprised principally of expenses related to exploration expenditure on Domingo's projects of (\$660,000) and corporate overheads of (\$480,000); and
 - (c) net profit (loss) is expected to be approximately (\$1,115,000).

Pro Forma Share Capital Structure

10. In order to take advantage of ASX policy allowing the issue of securities at less than 20 cents for the purpose of re-compliance with the listing rules, waivers of listing rules 1.1 (condition 11) and 2.1 (condition 2) will be sought. In order to obtain these waivers (which will require that the issue price of securities under the Public Offer be not less than 2 cents), the Company will undertake a consolidation of its share capital on a 1-for-2 basis (**Consolidation**).

11. The indicative share capital structure of Eneabba post-acquisition of Domingo, based on the current Eneabba securities on issue and including the Public Offer, will be as follows (on a post-Consolidation basis):

	Shares	Other securities	% interest in issued capital
<i>ENB Shares</i>			
Shares currently on issue	250,816,094		46.39%
Shares to be issued to Domingo vendors	179,166,667		33.13%
Shares to be issued to CPS for facilitating the Proposed Acquisition	10,750,000		1.99%
Shares to be issued under the Public Offer at an indicative issue price of \$0.03 (subject to confirmation)	100,000,000		18.49%
Total shares upon completion of the Proposed Acquisition	540,732,761		100%
<i>Options</i>			
Options (unlisted) currently on issue:			
- exercisable @ \$0.0926 on or before 16 November 2018)		3,500,000	
- exercisable @ \$0.0926 on or before 16 November 2018, vesting on various milestones		1,000,000	
- exercisable @ \$0.1326 on or before 16 November 2018)		3,500,000	
- exercisable @ \$0.1326 on or before 16 November 2018, vesting on various milestones		1,000,000	
- exercisable @ \$0.026 on or before 18 December 2020		21,000,000	37.50%
Options to be issued to directors, exercisable at 150% of the Public Offer issue price on or before the date that is 3 years after the date of issue		16,666,667	20.83%
Options to be issued to parties facilitating the Proposed Acquisition, exercisable at 150% of the Public Offer issue price on or before the date that is 3 years after the date of issue		33,333,333	41.67%
Total Options upon completion of the Proposed Acquisition		80,000,000	100%

Board and management arrangements

12. The Directors consider that the Board as constituted has the necessary skills and experience to direct the Company's activities following completion of the Proposed Acquisition. Accordingly, it is not intended to make further appointments to the Board at this stage.
13. The Board is currently considering suitably-qualified and experienced candidates for appointment to a senior technical role with responsibility for developing and implementing the Company's exploration program following the acquisition of Domingo. This role, to be filled following receipt of ASX's conditional approval for reinstatement of the Company's securities following re-compliance with the listing rules, will also be responsible for managing and directing contractors engaged to carry out the Company's exploration activity.

Change of Name

14. Following completion of the Proposed Acquisition, the Company will change its name to "MinTec Global Limited".

Timetable

15. A timetable for the Proposed Acquisition and associated events is set out below:

Event	Date (week ending)
Despatch notice of general meeting of Eneabba shareholders	30 March 2018
Lodge prospectus with ASIC & ASX	13 April 2018
Opening date of Public Offer	13 April 2018
Hold general meeting	27 April 2018
Closing date of Public Offer	4 May 2018
Settlement date	18 May 2018
Re-quotations date	1 June 2018

Domingo's activities and business model

16. Domingo's key strategies are to:
 - (a) prove up commercially scalable lithium resources across the Australian and Argentina assets as quickly as possible to create new supply chains;
 - (b) align with key customers to lock in off-take agreements once suitable samples can be viably marketed to key prospects; and
 - (c) utilise third party processors, if feasible, to fast-track production or otherwise expedite the exploration process as quickly as possible to bring product to market.

17. Lithium-caesium-tantalum bearing pegmatites (**LCT Pegmatites**) are being targeted on a worldwide basis for lithium minerals. LCT Pegmatites, particularly the larger ones, can develop segregated mineralisation. Targeting the segregated spodumene mineralisation of LCT Pegmatite ore bodies forms the key plank of the exploration strategy: as spodumene mineralisation can contain Li₂O levels that can be expedited to the lithium market as direct-shipping ore or a concentrate based on agreed/contractual Li₂O percentage.
18. A geological prospectively desktop study of historical and current exploration and/or mining activities in each project tenure is scheduled for completion. Post the desktop study, planned exploration tasks for completion are geological mapping, hand-held XRF analysis of pathfinder mineralisation, and surface sampling. A staged exploration program will be designed to:
- (a) identify drill targets and determine the prospectively of subsurface LCT Pegmatites, this could potentially include a geophysical survey;
 - (b) drill, sample, and analyse the pegmatite structure and mineralisation;
 - (c) advancing exploration drilling stages to define, estimate and report to the JORC (2012) Code an exploration target; and
 - (d) advancing exploration drilling stages to define, estimate and report to the JORC (2012) Code a mineral resource.
19. Domingo's projects are located in the following three (3) key mineral provinces:
- (a) the San Luis province of Argentina;
 - (b) New South Wales; and
 - (c) Western Australia.
20. The geology of each project area is prospective for LCT Pegmatites associated with granitic intrusive ore bodies. The project areas were selected based on two or more of the following geological criteria within or in close proximity to the tenure application areas:
- (a) pegmatites were historically mapped in the project area by government geologists;
 - (b) pegmatites had been currently or historically mined;
 - (c) pegmatite mineralisation had been included in the estimation of mineral resources;
 - (d) pathfinder mineralisation for LCT Pegmatites had been identified in the sample analytical results in either historical government reports and/or in the published literature; and

- (e) surface samples collected by government geologists subsequently that underwent laboratory analysis, showed the presence of anomalous lithium and/or LCT Pegmatite pathfinder elements.

San Luis Projects

21. Domingo will have two (2) exploration licences applications held in its Argentinean subsidiary, Orlico S.A., covering a combined area of 18,414 hectares. The two exploration licence applications are Domingo, consisting of 9,971 hectares, and Vulcano, consisting of 8,443 hectares. The Domingo tenure application has been assigned the identifier 53-C-2017 and the Vulcano tenure application has been assigned the identifier 51-C-2017.
22. The tenure applications in Sans Luis are strategically located over suitable LCT Pegmatite bearing geology, some of which has been previously mined. LCT Pegmatite mines in San Luis province have legacy reserves estimated from spodumene mineralisation with Li_2O grades up to 8.1% (Angelleli et al 1963; Herrera 1969; Chabert 1986; Galliski 1994; Galliski et al 1997; Martinez et al 2011; Martinez et al 2013; Oyarzabal et al 1993; Oyarzabal et al 2009).
23. LCT Pegmatite mines within a 30km radius of each tenure application have historical reserves estimated from spodumene mineralisation with grades ranging from 5% to 8% Li_2O (Herrera 1969; Chabert 1986; Galliski 1994; Galliski et al 1997; Martinez et al 2011; Martinez et al 2013; Oyarzabal et al 1993; Oyarzabal et al 2009).
24. Historical mines in the San Luis area were primarily located to exploit LCT Pegmatites near infrastructure, as manual labour, with minimal mechanisation, was the prevailing mining method. Historically, San Luis province has not been systematically explored for LCT Pegmatite ore bodies. However, recent preliminary short duration field trips, one to each tenure application, verified the satellite image interpretation and the low thorium radiometric interpretations of extensive pegmatites within each of the project areas.
25. A systematic exploration program is being developed for the San Luis province tenure applications. This leverages the success from the recent field trips that verified pegmatite bodies can be located using satellite imagery and low thorium radiometric survey.
26. Further information about the San Luis projects is provided in Schedule 3.

New South Wales - Narraburra East project

27. The Narraburra East project in New South Wales is located within 5km of the Narraburra rare earth element (**REE**) deposit, which is the only mineral resource within NSW containing an estimated grade and quantity of Li_2O derived from spodumene mineralisation. An inferred mineral resource was estimated by Capital Mining Limited (ASX: CMY) during 2011 (Capital Mining Limited, 2011)
28. The Narraburra East project tenure application has been assigned exploration licence identifier EL 8713 by the NSW Department of Primary Industries' Division of Resources

and Energy. The tenure application is 31,400 hectares and has an extensive area of geology with the potential to host an analogue to the Narraburra REE deposit.

29. The source of LCT Pegmatites in the region is highly likely to be from Devonian granitic bodies located within 25 km of the deposit. Further desktop work is required to understand how the LCT Pegmatites were emplaced and identify the most likely granitic sources in the area. Further desktop work will assist selecting areas to be preferentially geologically mapped and/or the ranking of drill targets proposed in the initial tenure application documents.
30. The high-level desktop work and associated technical data compilation is scheduled to begin in 2018 for the Narraburra East project.
31. Further information about the Narraburra East project is provided in Schedule 3.

Western Australia – Leonardo project

32. The Leonardo project in the Yilgarn region of Western Australia is targeting LCT Pegmatites formed in the Greenstone belts of the Yilgarn Craton, which include the following significant spodumene deposits and mines:
 - (a) the Greenbushes mine held by privately owned Talison Lithium Pty Ltd;
 - (b) the Mt Holland project held by Kidman Resources Ltd (ASX: KDR);
 - (c) the Mt Cattlin project held by Galaxy Resources Limited (ASX: GXY); and
 - (d) the Mt Marion lithium mine held by a consortium of listed entities (not including the Company).
33. The Leonardo project application covers an area of 19,866 hectares, which WA's Department of Mines, Industry Regulation and Safety has assigned the tenure identifier E28/2740 – the tenure is pending. The Leonardo project is approximately 120 kilometres south-east of the Mt Marion lithium mine and 35 kilometres south-east of the Tawana Resources-owned lithium-tantalum Bald Hill mine.
34. The Bald Hill mine focused on extracting and concentrating Tantalum during 2001 to 2005 (Tawana Resources NL, 2017). However, the mine currently has a lithium concentration plant under construction that is scheduled to be completed by April 2018. The total mineral resource and combined indicated and inferred mineral resource for the Bald Hill mine was estimated by CSA Global under the JORC (2012) Code at 18.9 million tonnes with an estimated Li_2O grade of 1.18% and Ta_2O_5 grade of 149ppm – the applied cut-off grade was 0.5% Li_2O (Tawana Resources NL, 2017). The contained metal tonnage for Bald Hill was a total mineral resource of 223,300 tonnes of Li_2O and 5,100t of Ta_2O_5 (Tawana Resources NL, 2017).

35. Surface geochemistry regolith sampling completed by the Geological Survey of Western Australia (**GSWA**) was analysed in a laboratory for lithium and pathfinder elements related to LCT Pegmatites. The results showed weathered pegmatite material is present within or near the tenure application area.
36. Further work proposed during 2018 includes interpreting GSWA trend data, complemented by geological mapping, hand held XRF pathfinder element analysis, selective sampling and laboratory geochemical analysis. These exploration activities are proposed to facilitate selection and ranking drill targets within the Leonardo project area.
37. Further information about the Leonardo project is provided in Schedule 3.

Key risks and dependencies

38. The key risks to successfully transforming Eneabba can be summarised as:

(a) *Completion risk*

Pursuant to the heads of agreement, the key terms are summarised in Schedule 1, Eneabba has agreed to acquire 100% of the issued share capital of Domingo, with completion subject to the fulfilment of certain conditions. There is a risk the conditions for completion of the Proposed Acquisition can't be fulfilled and, in turn, that completion of the Proposed Acquisition does not occur.

If the Proposed Acquisition is not completed, Eneabba will incur costs relating to advisors and other costs without any material benefit being achieved.

(b) *Re-quotations of shares on ASX*

As part of Eneabba's change in nature and scale of activities, ASX will require the Company to re-comply with Chapters 1 and 2 of the listing rules. It is anticipated Eneabba's securities will be suspended from the date of the general meeting convened to seek shareholder approval for the Proposed Acquisition until completion of the Proposed Acquisition, the Public Offer, re-compliance by Eneabba with Chapters 1 and 2 of the listing rules and compliance with any further conditions ASX imposes on such reinstatement.

There is a risk that Eneabba will not be able to satisfy one or more of those requirements and that its securities will consequently remain suspended from official quotation.

(c) *Liquidity risk*

On completion of the Proposed Acquisition, Eneabba proposes to issue ENB Shares to the Domingo vendors. Eneabba understands that ASX will treat some of these securities as restricted securities in accordance with Chapter 9 of the listing rules.

This could be considered an increased liquidity risk as a large portion of issued capital may not be able to be traded freely for a period of time.

(d) *Commodity and exchange rate fluctuation risk*

To the extent Eneabba may become involved in mineral production the revenue derived through the sale of commodities may expose the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

(e) *Financial markets risks*

Share market conditions may affect the value of Eneabba's quoted 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 technology stocks in particular. Neither Eneabba nor the directors warrant the future performance or any return on an investment in the Company.

(f) *Exploration risks*

The mineral tenements that Eneabba will own or have the rights to exploit at the conclusion of the Proposed Acquisition are at various stages of exploration. There can be no assurance that exploration of these tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

(g) *Environmental risks*

The operations and proposed activities of Eneabba are subject to state and federal environmental laws and regulations in Argentina and Australia. As with most

exploration projects and mining operations, Eneabba's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. Eneabba will attempt to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

(h) *Economic and government risks*

The future viability of Eneabba is dependent on a number of other factors affecting performance of all industries and not just the resources industry including, but not limited to, the following:

- (i) general economic conditions in jurisdictions in which Eneabba operates;
- (ii) changes in government policies, taxation and other laws in jurisdictions in which Eneabba operates;
- (iii) the strength of the equity markets in Australia and throughout the world, and in particular investor sentiment towards the resources sector;
- (iv) movement in, or outlook on, interest rates and inflation rates in jurisdictions in which Eneabba operates; and
- (v) natural disasters, social upheaval or war in jurisdictions in which Eneabba operates.

(i) *Tenement grant and maintenance risks*

Eneabba's mining exploration activities are dependent upon the grant, or as the case may be, the maintenance of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations. The maintaining of tenements, obtaining renewals, or getting tenements granted, often depends on Eneabba being successful in obtaining the required statutory approvals for its proposed activities and that the licences, concessions, leases, permits or consents it holds will be renewed as and when required. There is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed in connection therewith.

(j) *Additional requirements for capital*

The funds to be raised under the Public Offer are considered sufficient to meet the immediate objectives of the Company. Additional funding may be required in the event costs exceed Eneabba's estimates and to effectively implement its business and operational plans in the future to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which Eneabba may incur. If such events occur, additional funding will be required.

Following the Public Offer, Eneabba may seek to raise further funds through equity or debt financing, joint ventures, licensing arrangements, or other means. Failure to obtain sufficient financing for Eneabba's activities and future projects may result in delay and indefinite postponement of their activities and potential development programmes. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing may not be favourable to Eneabba and might involve substantial dilution to shareholders.

(k) *Reliance on key personnel*

Eneabba's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Moreover, its future depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on Eneabba's business.

(l) *JV partners and contractors*

Eneabba is unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party or the insolvency or managerial failure by any of the contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity.

39. The key dependencies influencing the viability of the Proposed Acquisition are:

- (a) Eneabba's capacity to re-comply with Chapters 1 and 2 of the Listing Rules to enable re-admission to quotation of the Company's securities; and
- (b) raising sufficient funds to carry out effective exploration, development and production activities in Argentina and Australia.

Domingo's accounts

40. The Company's pro forma statement of financial position as at 31 December 2017, based on reviewed 31 December 2017 accounts for the Company and audited 31 December 2017 accounts for Domingo, is set out in Schedule 2.

41. Domingo's audited accounts as at 31 December 2017 accompany this announcement as an annexure.

Recent issues of Domingo securities

42. On 19 October 2017, Domingo issued 100 ordinary shares at \$1.00 each, to raise \$100 (**Domingo Ords**).

43. On 23 October 2017, Domingo issued 100 Domingo Ords at \$1.00 each and 10,000,000 “C” class shares (**Domingo Cs**) at \$0.0001 each to raise a total of \$1,100.
44. On 9 November 2017, Domingo issued 11,400,000 Domingo Cs at \$0.001 each to raise a total of \$11,400.
45. On 15 November 2017, Domingo issued 27,380,000 Domingo Cs at \$0.001 each to raise a total of \$27,380.
46. On 9 January 2018, Domingo converted all Domingo C’s on issue to Domingo Ords, giving a total issued capital of 48,780,200 fully paid ordinary shares.
47. The funds raised from these issues of Domingo securities will be used to fund Domingo’s working capital requirements pending completion of the Proposed Acquisition.

Recent issues of ENB securities

48. On 21 December 2017, in accordance with shareholder approvals provided at the ENB 2017 annual general meeting, the Company issued:
- (a) 20,000,000 options at an issue price of \$0.0001 to CPS as a fee for the provision of corporate advice; the funds received from the issue of options to CPS have been applied to working capital; and
 - (b) 22,000,000 options to the directors of the Company as remuneration for services provided.
49. In accordance with the terms of the Heads of Agreement, the Company will immediately issue 25 million ENB Shares to the Domingo vendors.

Re-compliance with ASX Listing Rules Chapters 1 and 2

50. Since the Proposed Acquisition will result in a significant change to the scale of the Company’s activities, the Proposed Acquisition will require Eneabba’s shareholders’ approval under Listing Rule 11.1.2 and will also require Eneabba to re-comply with Chapters 1 and 2 of the Listing Rules in accordance with Listing Rule 11.1.3.

Shareholder approvals

51. A notice of meeting seeking shareholder approval for the resolutions required to give effect to the Proposed Acquisition will be sent to Eneabba shareholders in due course. It is expected that Eneabba will convene a general meeting in March 2017 to facilitate shareholder approval for matters in respect of the Proposed Acquisition (**General Meeting**). Those approvals will include:
- (a) the change in scale of the Company’s activities;
 - (b) consolidation of the Company’s capital on a 1-for-2 basis;

- (c) the issue of ENB Shares to the Domingo shareholders;
- (d) the issue of options to acquire ENB Shares to the Company's current directors;
- (e) the issue of ENB securities to the parties' corporate advisors;
- (f) the issue of ENB Shares in connection with the Public Offer; and
- (g) the change of the Company's name to MinTec Global Limited.

52. On the date of the General Meeting, the Company's securities will be suspended from quotation on ASX and, subject to shareholder approval being obtained, will remain suspended until the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules and the Proposed Acquisition has completed.

ASX waivers required

53. The Company intends to seek waivers from:
- (a) Listing Rules 1.1 (Condition 11) and 2.1 (Condition 2) to enable it to issue securities at a price below the 20 cents stipulated in those rules;
 - (b) Listing Rule 9.1.3 to obtain "look-through" relief for Domingo shareholders being issued ENB Shares; and
 - (c) Listing Rule 10.13.3 to allow it to issue options to the Company's directors later than one month after shareholder approval pursuant to LR 10.11 is obtained at the General Meeting.

Facilitation fees

54. In accordance with the terms of corporate mandates entered into with CPS (in the case of the Company) and Subiaco Capital Pty Ltd (in the case of Domingo), the Company will issue:
- (a) 10,750,000 ENB Shares and 16,666,667 options to CPS; and
 - (b) 16,666,666 options to Subiaco Capital,
- as introduction and facilitation fees in respect of the Proposed Acquisition.

Due diligence activities

55. The Company's due diligence investigation into Domingo and its assets are ongoing, and it is noted that completion under the formal documentation required for the acquisition of Domingo will be conditional on the Company being satisfied with its due diligence investigations. Nevertheless, the Company confirms that it has undertaken appropriate enquiries into the assets and liabilities, financial position and performance, profits and losses,

and prospects of Domingo for the Board to be satisfied that the Proposed Acquisition is in the interests of the Company and its shareholders

56. The Company has appointed Argentinean legal advisors to provide legal due diligence in respect of Domingo's acquisition of Orlico S.A. Those legal advisors have confirmed that:
- (a) the acquisition of Orlico S.A. by Domingo; and
 - (b) the assignment of the Argentina exploration permits to Orlico S.A. by the applicants for those permits,

have been properly effected in accordance with the law in Argentina.

Regulatory requirements generally

57. The Company notes that:
- (a) the Proposed Acquisition requires shareholder approval under the Listing Rules and therefore may not proceed if that approval is not forthcoming;
 - (b) the Company is required to re-comply with ASX's requirements for admission and quotation and therefore the Proposed Acquisition may not proceed if those requirements are not met;
 - (c) ASX has an absolute discretion in deciding whether or not to re-admit the Company to the Official List and to quote its securities and therefore the Proposed Acquisition may not proceed if ASX exercises that discretion; and
 - (d) investors should take account of these uncertainties in deciding whether or not to buy or sell the Company's securities.
58. Furthermore, the Company:
- (a) notes that ASX takes no responsibility for the contents of this announcement; and
 - (b) confirms that it is in compliance with its continuous disclosure obligations under Listing Rule 3.1.

For further information, please contact:

Barnaby Egerton-Warburton

Managing Director

Eneabba Gas Limited

Phone: +61 8 9467 4220

Disclaimer

No mineral resources have been estimated by or on the behalf of the Company or its subsidiaries. The mineral resources stated in this document are outside the project areas / tenure application areas and are sourced from the following documents:

Mineral resources stated from the San Luis Province of Argentina

Angelelli, V., & Rinaldi, C., 1963. *Argentina's National Atomic Energy Commission Report Number 91: Mineral Deposits of Lithium in the provinces of San Luis and Córdoba*. National Atomic Energy Commission, Buenos Aires

Herrera A. O., 1968. Geochemical Evolution of Zoned Pegmatites of Argentina, in *Economic Geology*, v.63: 13 - 29.

Chabert, M.R., 1986. *Updated Inventory of pegmatitic mineral producers of Li and Be in the province of San Luis*. General direction of military manufactures.

Galliski, M.A., 1994. The Pampeana Pegmatite Province 2: Metallogensis of its economic districts, in *Magazine of the Argentine Geological Association* 49(1-2): 113-122.

Galliski M.A., Perino E., Gásquez, J., Marquez Zavalía, M.F., & Olsina, R., 1997. Geochemistry of potassic feldspars and muscovites as a guide for the exploration of granitic pegmatites from some districts of the Pegmatitic Province of Pampeana in *Magazine of the Argentine Geological Association* 52: 4-32.

Martinez V. & Galliski M.A. 2011. Geology, Mineralogy and Geochemistry of the Pegmatita Las Cuevas, San Luis, in *Magazine of the Argentine Geological Association* 68 (4): 526 - 541

Martínez V. & Galliski M.A. 2013. *Geochemistry of feldspars and Muscovites of the honey-colored pegmatites of the Sierra de San Luis, Argentina*. 11th Congress of Mineralogy and Metallogeny

Oyarzábal, J., & Galliski, M.A., 1993. *Geology of San Luis: A case of juxtaposition of different types/classes of pegmatites and rare elements*. XII Geological Congress of Argentina and II Congress of Exploration for Hydrocarbons - Part V: (167-174)

Oyarzábal, J., Galliski, M.A., & Perino, E., 2009. Geochemistry of K-feldspar and Muscovite in Rare-element Pegmatites and Granites from the Totoral Pegmatite Field, San Luis, Argentina, in *Resource Geology* Vol. 59, No. 4: 315–329

Mineral resources stated from the State of New South Wales in Australia

Capital Mining Limited, 2011. *Resource Estimate Update confirms Rare Earth Potential Narraburra Project, NSW*, ASX Announcement (ASX: CMY), released on the 9th of November 2017.

Mineral resources stated from the Western Australia in Australia

Tawana Resources NL, 2017. *Mineral Resource Update for the Bald Hill Lithium and Tantalum Project*, ASX Announcement (ASX: TAW), released on the 11th of October 2017.

Competent person's statement

Statements contained in this report relating to historical and/or third-party exploration results, proposed exploration activities and exploration potential are based on information compiled by Nicholas Ryan, who is a member of the Australian Institute of Mining & Metallurgy (AusIMM), member No 224779. Nicholas Ryan is an AusIMM Chartered Professional (Geology) and has been a member of the AusIMM for 12 years. Nicholas Ryan is the Consultant Technical Manager to Cobalt Prospecting Pty Ltd, and employed by Xplore Resources Pty Ltd. Nicholas Ryan has sufficient relevant experience in relation to the mineralisation styles being reported on to qualify as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral resources and Ore reserves (JORC) Code 2012. Nicholas Ryan consents to the use of this information in this report in the form and context in which it appears.

For personal use only

SCHEDULE 1 – KEY TERMS OF HEADS OF AGREEMENT

The key terms of the Heads of Agreement are as follows:

1. **Execution:** On execution of the Heads of Agreement, the Company must:
 - (a) reimburse Domingo for expenditure spent on the mining tenements set out in Schedule 2 in the amount of \$50,000; and
 - (b) issue 25,000,000 ENB Shares (on a pre-Consolidation basis) to the Domingo vendors.
2. **Conditions Precedent:** Completion of the Proposed Acquisition is subject to and conditional upon a number of conditions precedent, including:
 - (a) satisfaction of all necessary due diligence investigations by the parties;
 - (b) each of the shareholders of Domingo entering into a binding sale agreement with ENB on terms consistent with the provisions of the Heads of Agreement and otherwise acceptable to ENB;
 - (c) ENB receiving conditional approval by ASX to reinstate its securities and those conditions being satisfied to the reasonable satisfaction of ENB and Domingo;
 - (d) if required in order to re-comply with Chapters 1 and 2 of the listing rules, ENB undertaking a consolidation of its issued share capital on a ratio to be determined by ENB in its reasonable discretion;
 - (e) ENB undertaking the Public Offer to raise \$3 million; and
 - (f) ENB holding a meeting of shareholders to obtain all approvals under the Corporations Act and the Listing Rules that are required to give effect to the transactions contemplated by the Heads of Agreement.
3. **Consideration:** At completion, subject to satisfaction of the conditions precedent, ENB will issue 166,666,667 million ENB Shares (on a post-Consolidation basis) to the Domingo shareholders. ENB will also issue 10,750,000 million ENB Shares and 33,333,333 options in fees to the parties' corporate advisors.
4. **Change of name:** Following successful completion of the Proposed Acquisition, ENB will change its name to "MinTec Global Limited".
5. **Exclusivity:** For a period of six months after execution of the Heads of Agreement, Domingo will refrain from doing anything to procure or allow (other than to comply with legal obligations) persons other than ENB from acquiring equity interests in Domingo.
6. **Formal documents:** the parties agree to negotiate in good faith formal binding agreements to be entered into by ENB, Domingo and each of the Domingo shareholders on terms consistent with the Heads of Agreement or as otherwise agreed between the parties.

The Heads of Agreement otherwise contains clauses typical for binding agreements of this nature.

For personal use only

SCHEDULE 2 – MINTEC GLOBAL LIMITED FINANCIAL STATEMENTS

MinTec Global Limited

Pro forma statement of financial position as at 31 December 2017*

	Eneabba reviewed as at 31 December 2017	Domingo audited as at 31 December 2017	Pro forma adjustment	Pro forma as at 31 December 2017
	\$	\$	\$	\$
ASSETS				
Current Assets				
Cash and cash equivalents	719,625	9,481	2,515,056	3,244,162
Receivables	11,889	14,732	-	26,621
Prepayments	7,646	-	-	7,646
Assets held for sale	320,000	-	-	320,000
Total Current Assets	1,059,160	24,213	2,515,056	3,598,429
TOTAL ASSETS	1,059,160	24,213	2,515,056	3,598,429
LIABILITIES				
Current Liabilities				
Trade and other payables	43,745	55,000	-	98,745
Total Current Liabilities	43,745	55,000	-	98,745
TOTAL LIABILITIES	43,745	55,000	-	98,745
NET ASSETS	1,015,415	(30,787)	2,515,056	3,499,684
EQUITY				
Issued capital	11,886,845	39,980	-4,261,357	7,665,469
Reserves	341,683		607,067	948,750
Accumulated losses	-11,213,113	-70,767	6,169,345	-5,114,535
TOTAL EQUITY	1,015,415	-30,787	2,515,056	3,499,684

* based on reviewed 31 December 2017 accounts for the Company and audited 31 December 2017 accounts for Domingo

SCHEDULE 3 - DOMINGO PROJECTS

3.1 *San Luis Projects – San Luis Province, Argentina*

The San Luis province in Argentina has recently experienced interest in the exploration and exploitation of hard rock lithium from companies listed on the Australian Stock Exchange. The entities interested include Dark Horse Resources Limited (ASX: DHR), Latin Resources Limited (ASX: LRS) and Lake Resources N.L. (ASX: LKE).

Domingo's Argentinean subsidiary, Orlico S.A, has been assigned two highly prospective LCT Pegmatite exploration permits, covering 18,414 hectares, subject only to grant of the tenure applications in respect of those permits. The tenure applications are approximately 70 km from the city of San Luis, the capitol of the San Luis province and are expected to be granted within the next 2 to 3 months.

The tenure applications in San Luis are strategically located over suitable LCT Pegmatite bearing geology and some have been previously mined. The LCT Pegmatite mines in San Luis province have had legacy reserves estimated from spodumene mineralisation with Li_2O grades up to 8.1% (Angelleli et al 1963; Herrera 1969; Chabert 1986; Galliski 1994; Galliski et al 1997; Martinez et al 2011; Martinez et al 2013; Oyarzabal et al 1993; Oyarzabal et al 2009).

LCT Pegmatite mines within a 30km radius of each tenure application have historical reserves estimated from spodumene mineralisation with grades ranging from 5% to 8.1% Li_2O (Herrera 1969; Chabert 1986; Galliski 1994; Galliski et al 1997; Martinez et al 2011; Martinez et al 2013; Oyarzabal et al 1993; Oyarzabal et al 2009).

Historical mines in the San Luis Area were primarily located to exploit LCT Pegmatites located near infrastructure, as manual labour with minimal mechanisation was the prevailing mining method. Historically, San Luis province has not been systematically explored for LCT Pegmatite ore bodies. However, recent preliminary short duration field trips, one to each tenure application, verified the satellite image interpretation and the low thorium radiometric interpretations of extensive pegmatites within each of the project areas.

Reviewing key points from the recent field trips for each project area follows, given the preceding commentary and analysis is common to both tenures.

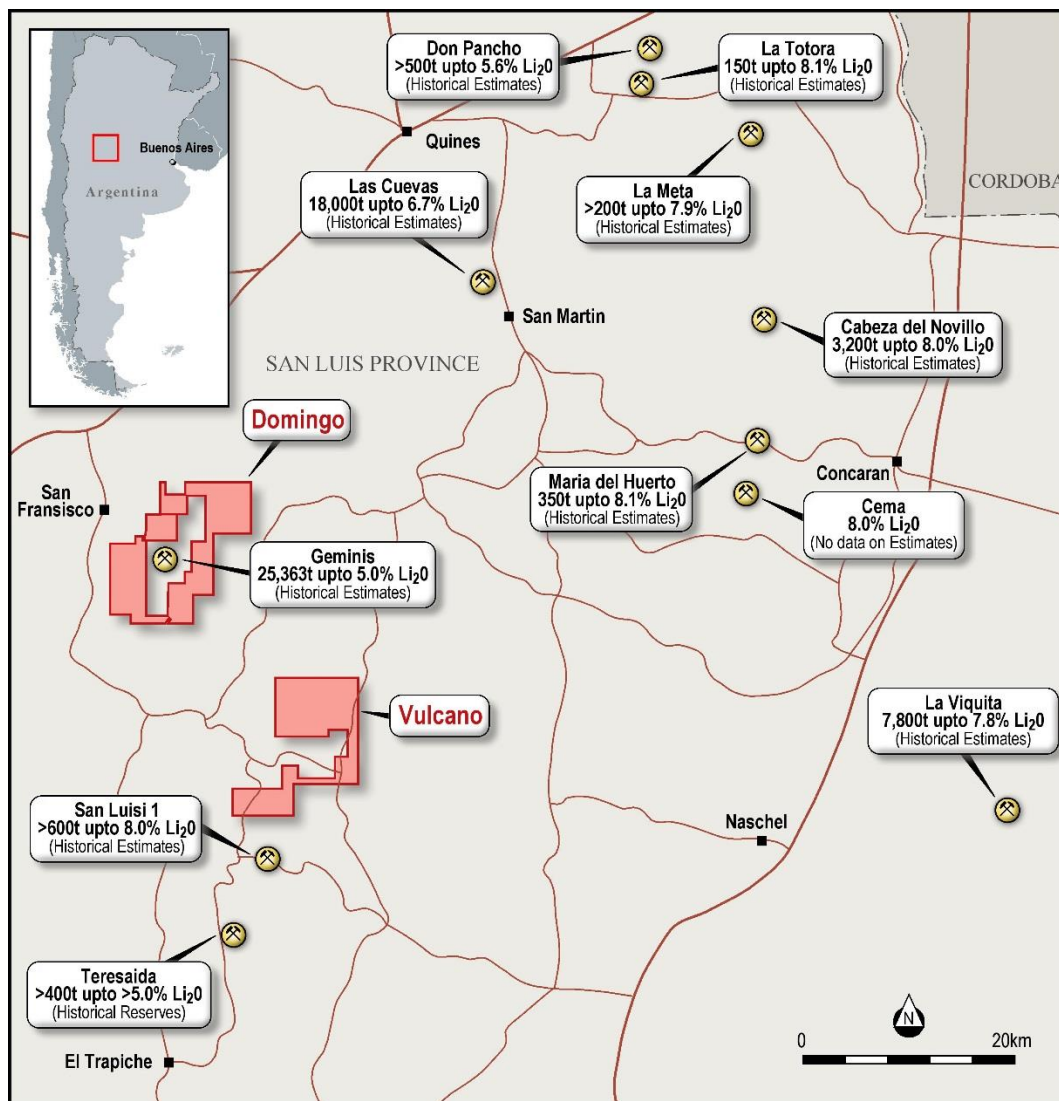


Figure 1 – The location of the Domingo and Vulcano assets within Argentina (Data sourced from Angelleli et al 1963; Herrera 1969; Chabert 1986; Galliski 1994; Galliski et al 1997; Martinez et al 2011; Martinez et al 2013; Oyarzabal et al 1993; Oyarzabal et al 2009)

3.1.1 Domingo Project – San Luis Province, Argentina

Domingo’s Argentinean subsidiary, Orlico S.A., will hold the Domingo exploration permit, which consists of 9,971 hectares, once the exploration permit application has been granted.

A recent field trip to the Domingo project area verified satellite image and low thorium radiometry interpretation of pegmatites within the tenure. Figure 2 and 3 highlight photographs of pegmatites within the Domingo project area viewed by the geology team.



Figure 2 - Photograph 2A – a quarry that extracted minerals from a pegmatite on the border of the Domingo Project tenure application area: Photograph 3B – pegmatite minerals exposed in the quarry workings.

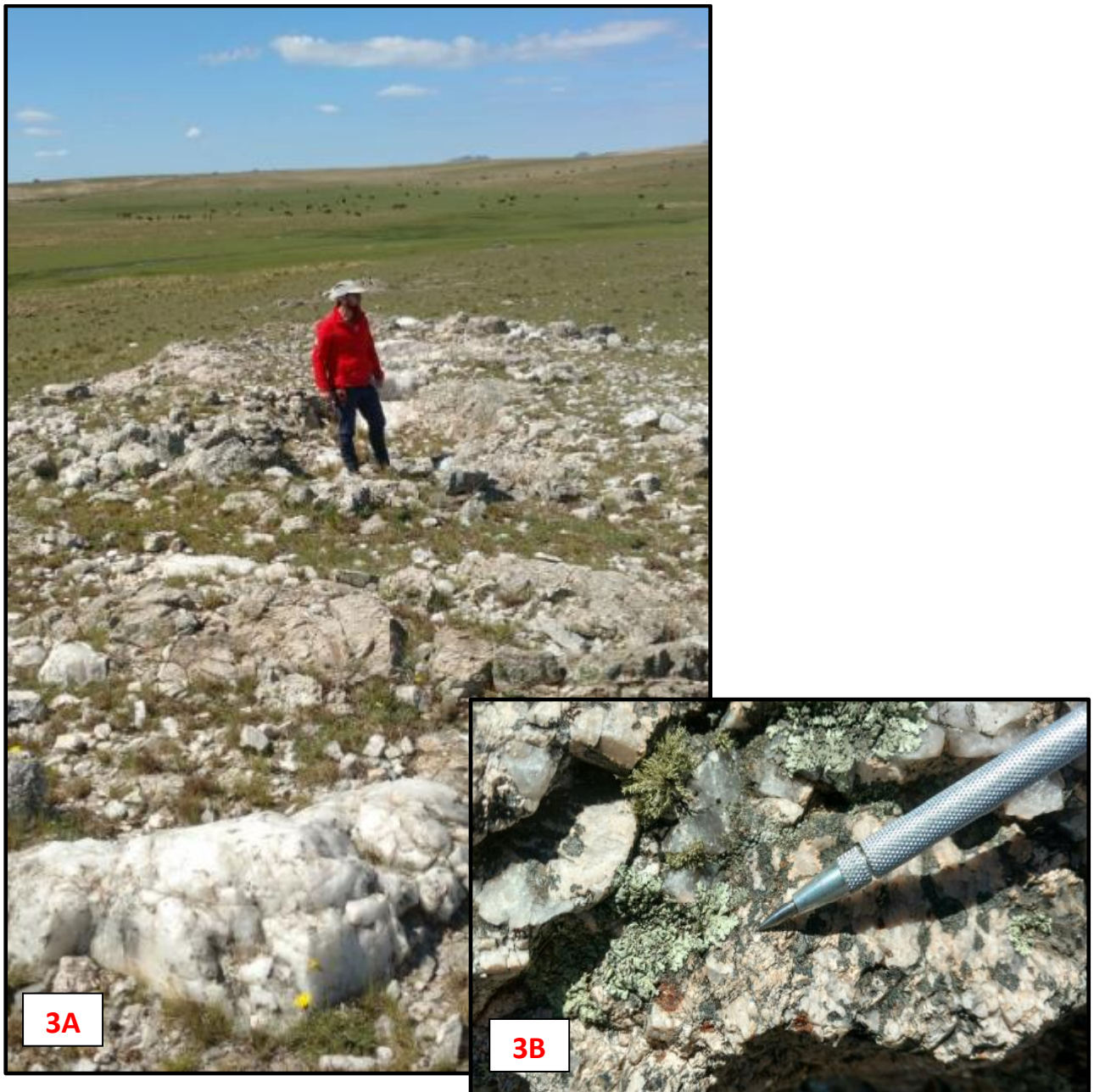


Figure 3 - Photograph 3A – a pegmatite outcrop within the Domingo Project tenure application area: Photograph 3B – pegmatite minerals exposed on the outcrop.

A systematic exploration program is being developed for the Domingo tenure application due to the recent success in verifying the presence of pegmatite bodies.

3.1.2 Vulcano Project – San Luis Province, Argentina

Domingo’s Argentinean subsidiary, Orlico S.A., will hold the Vulcano exploration permit, which consists of 8,443 hectares, once the exploration permit application has been granted.

Low thorium radiometric imagery interpretation identified mineralised pegmatites along a trend near the north-east border of the project area. The satellite photo (Figure 4A) shows the approximate area identified by the low thorium radiometric imagery interpretation (refer to the blue ellipse). The pegmatites located during a recent field trip to the Vulcano project are shown in Figure 4B with additional satellite photo interpretations of mineralised pegmatites (shown in red).

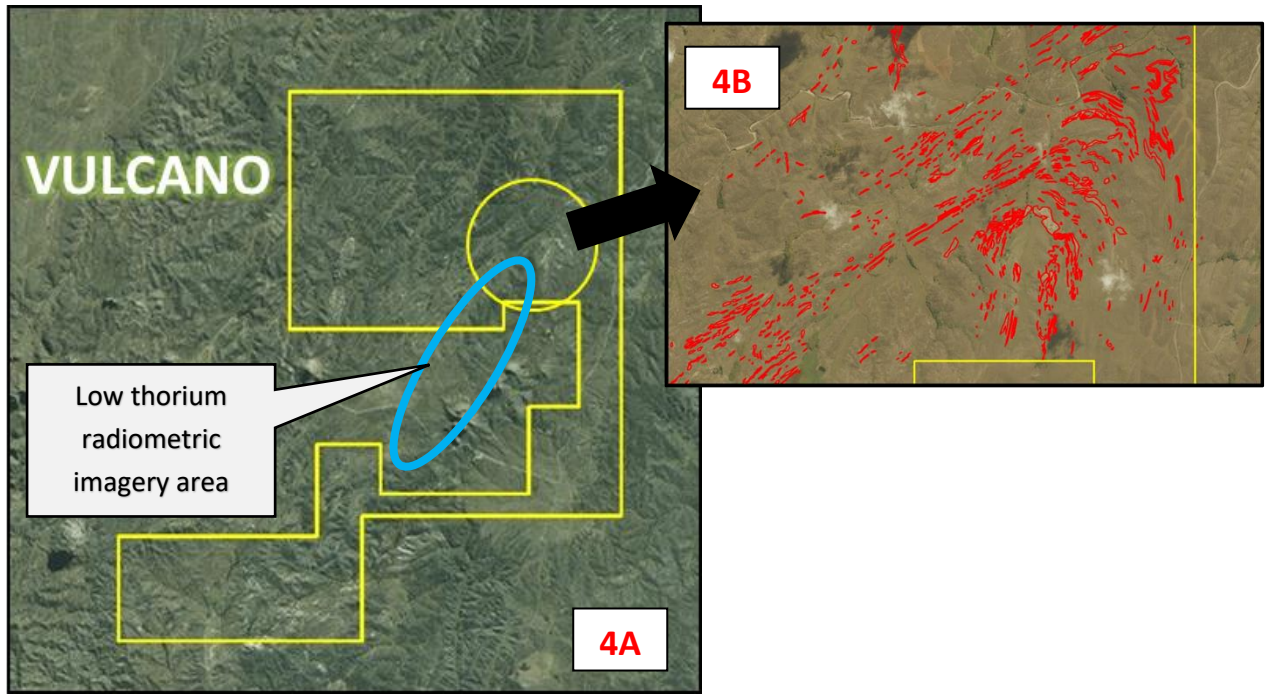


Figure 4 – Satellite Photograph 4A – a quarry that extracted minerals from a pegmatite on the border of the Vulcano Project application area: Satellite Photograph 4B – pegmatite minerals exposed in the quarry workings on the border of the Vulcano Project application area

Further photographic evidence gained from the field trip that highlights the presence of pegmatites within the Vulcano project are shown in Figure 5 to Figure 9

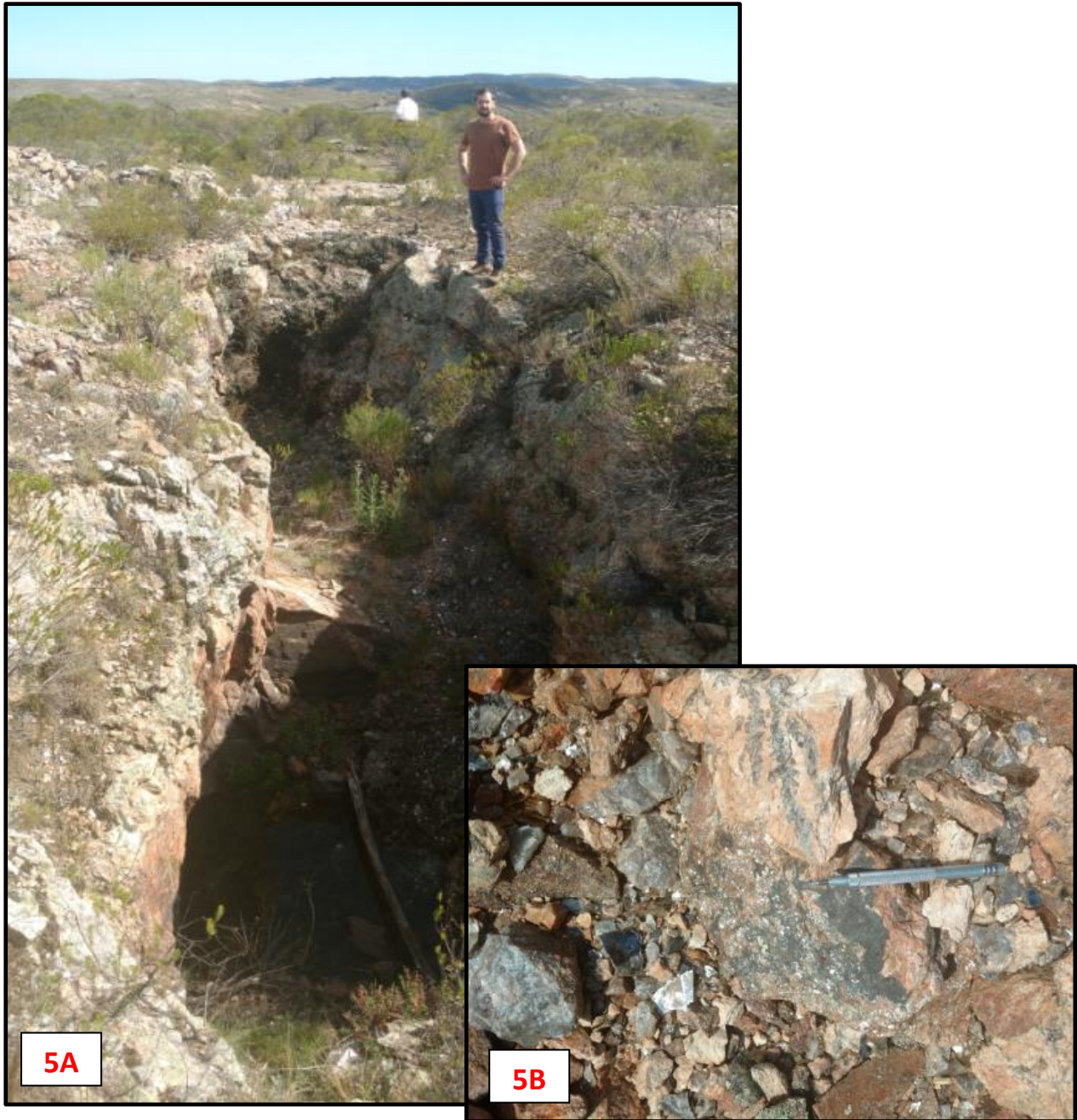


Figure 5 - Photograph 5A – a quarry that extracted minerals from a pegmatite on the border of the Vulcano Project application area: Photograph 5B – pegmatite minerals exposed in the quarry workings on the border of the Vulcano Project application area



Figure 6 - Photograph 6A – a pegmatite outcrop within the Vulcano Project application area: Photograph 6B – pegmatite minerals exposed on the outcrop within the Vulcano Project application area



Figure 7 - Photograph 7A – a pegmatite outcrop within the Vulcano Project application area: Photograph 7B – pegmatite minerals exposed on the outcrop within the Vulcano Project application area

For personal use only



Figure 8 - Photograph 8A – a pegmatite outcrop within the Vulcano Project application area: Photograph 8B – pegmatite outcrop in panoramic view

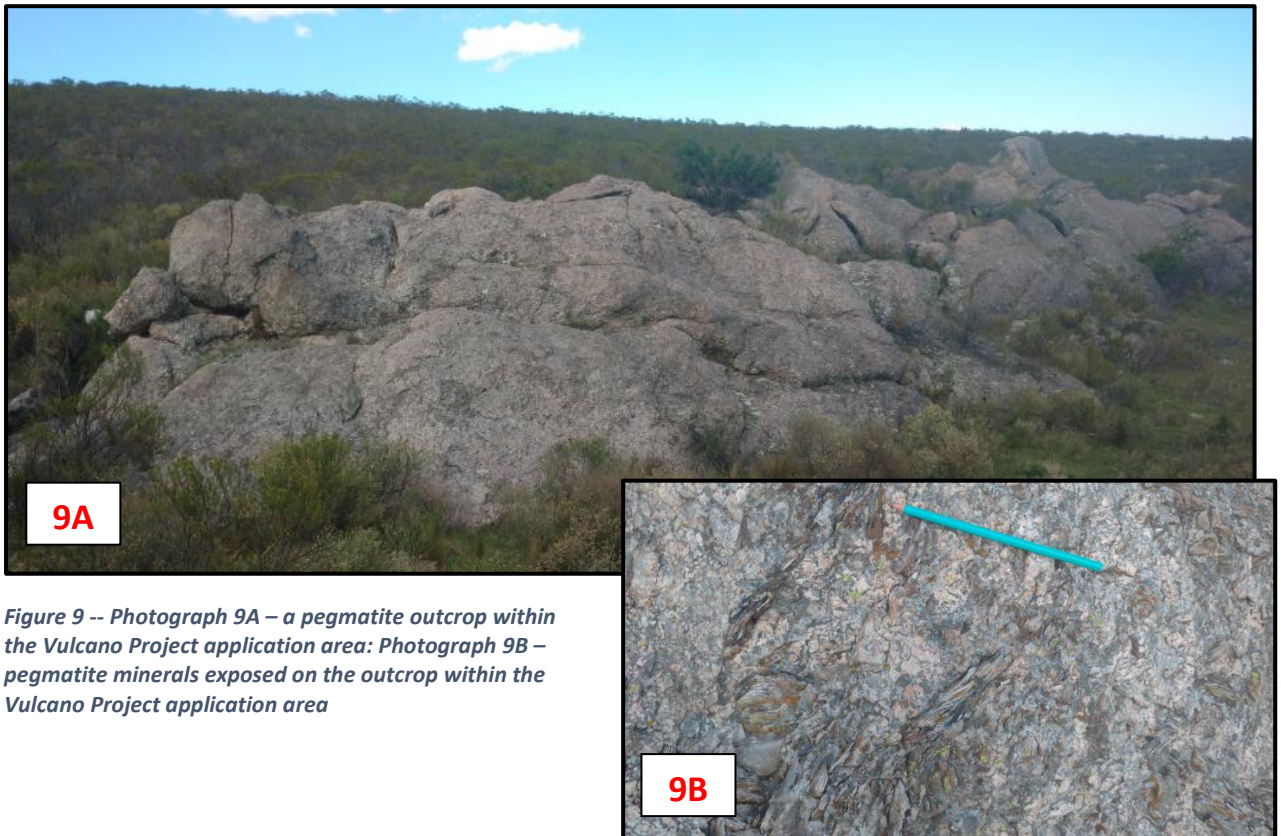


Figure 9 -- Photograph 9A – a pegmatite outcrop within the Vulcano Project application area: Photograph 9B – pegmatite minerals exposed on the outcrop within the Vulcano Project application area

A systematic exploration program is being developed for the Vulcano project due to the recent success in verifying the presence of pegmatite bodies.

3.2 - The Narraburra East Project, NSW, Australia

The Narraburra East project is located within 5km of the Narraburra REE deposit, near Temora, New South Wales. The Narraburra REE deposit is the only mineral resource within NSW that contains an estimated grade and quantity of Li_2O derived from spodumene mineralisation.

An inferred mineral resource was estimated by Capital Mining Limited during 2011 and reported under the JORC (2004) Code (CMY, 2011).

Exploration licence EL8713 covers an area of 31,400 hectares and is situated approximately 400km west-south-west of Sydney (Figure 10).

The source of the LCT Pegmatites in the region is highly likely to be from Devonian granitic bodies located within 25 km of the deposit. Further desktop work is required to understand how the LCT Pegmatites were emplaced and identify the most likely granitic sources in the area. In addition, it will assist in selecting areas to be preferentially geologically mapped and/or the ranking of drill targets.

For personal use only

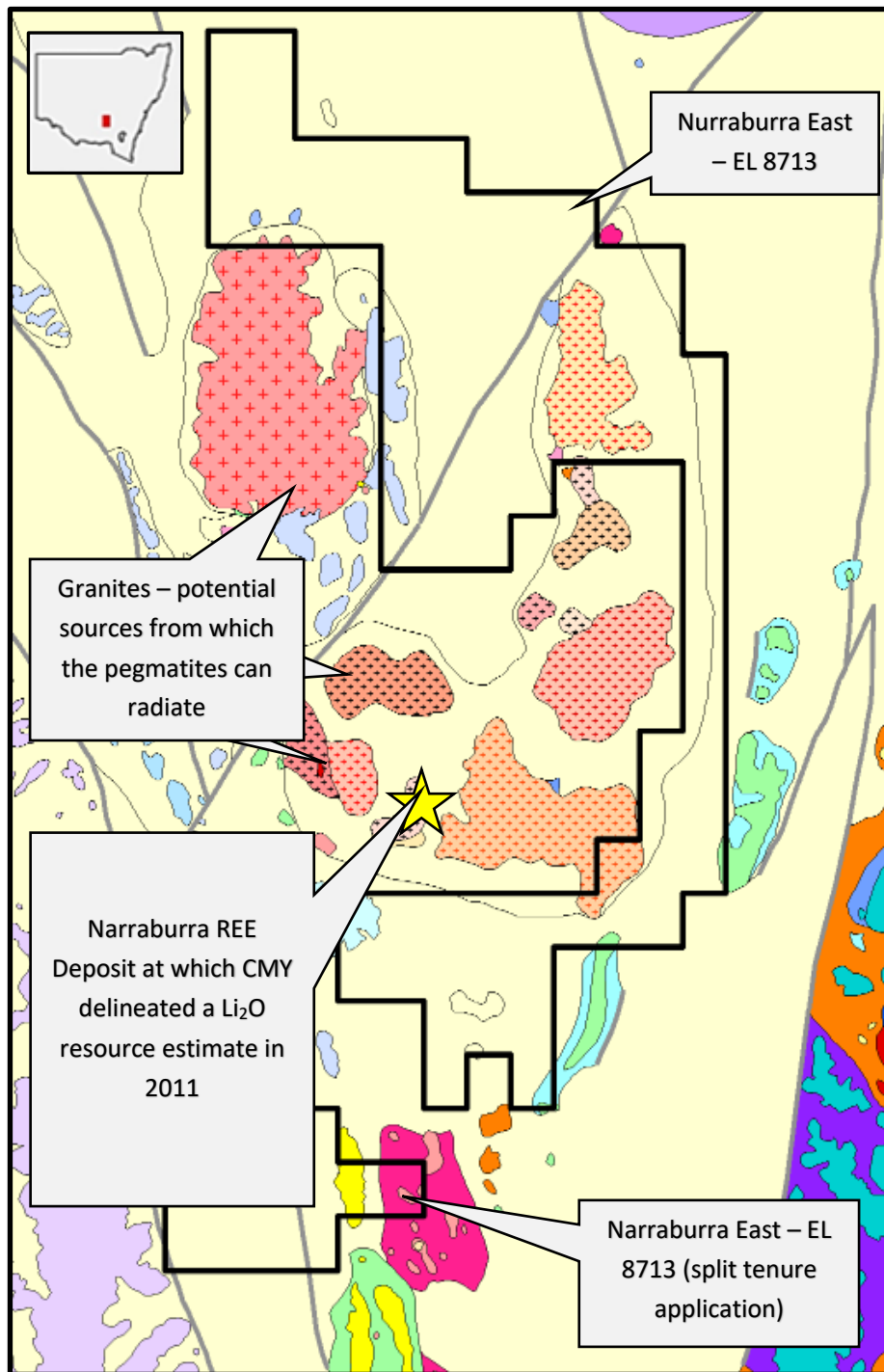


Figure 10 - Narraburra East Project tenure application shown with the Geological Survey of New South Wales surface mapped granites

The Narraburra East project consists of a split tenure, which exists in two portions as seen in Figure 10. The exploration licence technical data compilation and the high-level desktop review is scheduled to begin in the first quarter of 2018.

3.3 - Leonardo Project - Western Australia, Australia

The WA project is targeting LCT Pegmatites that have formed in the Greenstone belts of the Yilgarn Craton, which includes the following significant spodumene deposits and mines:

- (a) the Greenbushes mine held by privately owned Talison Lithium;
- (b) the Mt Holland project held by Kidman Resources Ltd (ASX: KDR);
- (c) the Mt Cattlin project held by Galaxy Resources Limited (ASX: GXY); and
- (d) the Mt Marion Lithium mine held by a consortium of listed entities.

The Leonardo project application covers an area of 19,866 hectares and has been assigned the tenure identifier of E28/2740 by WA's Department of Mines, Industry Regulation and Safety. The Leonardo project is approximately 120km to the south-east of the Mt Marion Lithium mine and 35km to the south-east of the lithium-tantalum Bald Hill mine (Figure).

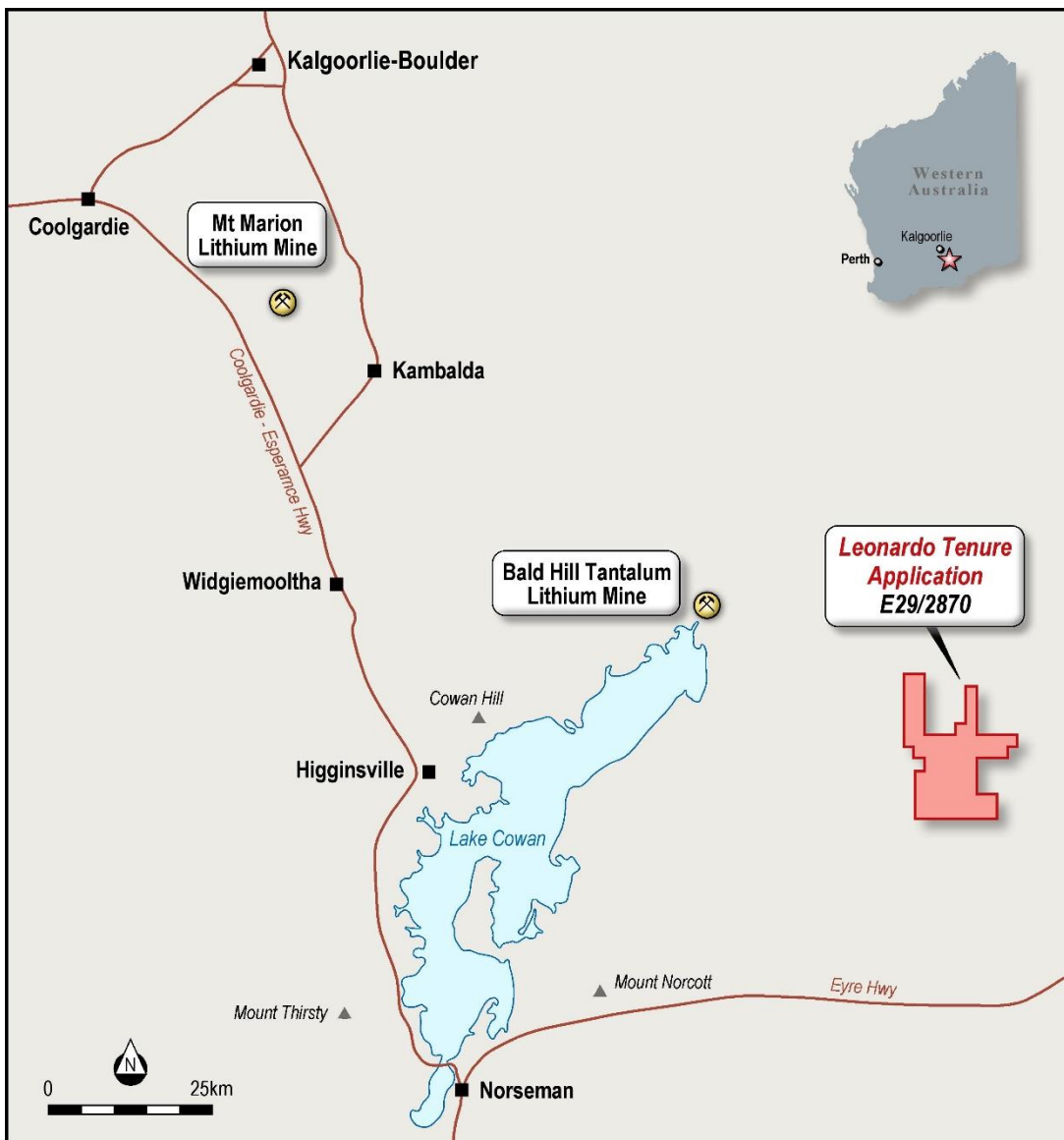


Figure 11 – The location of the Leonardo tenure application relative to the Bald Hill mine (Lithium and Tantalum)

Bald Hill focused on extracting and concentrating Tantalum during 2001 to 2005 (Tawana Resources NL, 2017). However, the mine currently has a lithium concentration plant under construction that is scheduled to be completed by April 2018. The total mineral resource and combined indicated and inferred mineral resource for Bald Hill was estimated by CSA Global under the JORC (2012) Code at: 18.9 million tonnes with an estimated Li₂O grade of 1.18% and Ta₂O₅ grade of 149ppm – the applied cut-off grade was 0.5% Li₂O (Tawana Resources NL, 2017). The contained metal tonnage for Bald Hill was: total mineral resource 223,300 tonnes of Li₂O and 5,100t of Ta₂O₅ (Tawana Resources NL, 2017).

Surface geochemistry regolith sampling completed by GSWA was analysed in a laboratory for lithium and path finder elements related to LCT Pegmatites. The results showed weathered pegmatite material is present within or near the tenure application area.

Further work proposed during 2018 includes interpreting GSWA trend data, complimented by geological mapping, hand held X-Ray Florescence path finder element analysis, selective sampling and laboratory geochemical analysis. These exploration activities are proposed to facilitate selection and ranking drill targets within the Leonardo project area.

For personal use only

JORC Code, 2012 Edition – Table 1 report template

SECTION 1 SAMPLING TECHNIQUES AND DATA

(Criteria in this section apply to all succeeding sections.)

Criteria	<i>JORC Code explanation</i>	Commentary
<p>Sampling techniques</p>	<ul style="list-style-type: none"> • <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> • <i>In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i> 	<ul style="list-style-type: none"> • No historical or current sampling of any rock or soil has been reported in the technical document for the area within the following tenure applications/projects: Domingo, Vulcano, & Narraburra East. • The Leonardo project reported surface samples collected by or on behalf of the Geological Survey of Western Australia (“GSWA”). The GSWA surface samples were described as being collected from regolith sheetwash, that overlies granite units, the competent person has interpreted that the style of sampling, in combination with an arid environment and low topography strongly indicates that the regolith samples material has not travelled any significant distance from the source rock. • In the GSWA’s regolith geochemistry program, the preferred sample medium is stream sediment, but where streams are poorly developed, colluvium or sheetwash, sandplain, or lake sediment has been sampled. At each sample site, an analytical and archive sample of approximately 2 kg and 4 kg respectively of the <6 mm material was collected. The < 2 mm and + 0.45 mm fraction of the analytical sample was subsequently milled and analysed. This size fraction was chosen to minimise the nugget effect of coarse-grained fragments, and the dilution effect of aeolian material. Data recorded at each site includes the GPS location, site and sample number, the position of the sample in an idealised landform profile, an estimate of the regolith clast, matrix, and cement

For personal use only

Criteria	JORC Code explanation	Commentary
		<p>proportions and type, and the presence of secondary units (e.g. silcrete, calcrete) and bedrock nearby.</p> <ul style="list-style-type: none"> The Leonardo project “sampling techniques” information is sourced from 1) Jones, S.A., 2005. <i>Geology of the Yardilla 1:100,000 sheet Explanatory Notes</i>. Geological Survey of Western Australia, 2) Morris, P.A., 2005. <i>GSWA’s Regional Regolith Geochemistry Program: An Overview</i>. Geological Survey of Western Australia.
Drilling techniques	<ul style="list-style-type: none"> 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). 	<ul style="list-style-type: none"> No historical or current drilling has been reported within the technical document for any of the tenure applications.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> No historical or current drilling has been reported within the technical document for any of the tenure applications.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> No historical or current drilling has been reported within the technical document for any of the tenure applications.
Sub-sampling techniques	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. 	<ul style="list-style-type: none"> No historical or current sub-sampling of any rock or soil has been reported in the technical document for the area within the following tenure applications/projects: Domingo, Vulcano, & Narraburra East.

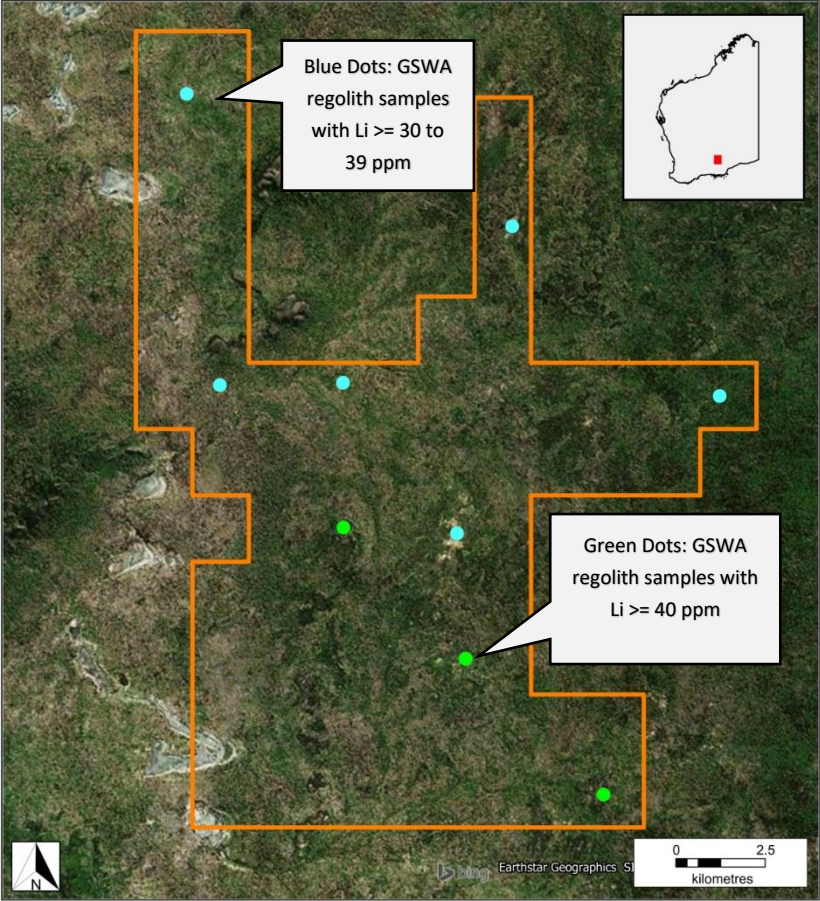
Criteria	JORC Code explanation	Commentary
and sample preparation	<ul style="list-style-type: none"> • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • 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. • Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> • The Leonardo project reported surface samples collected by or on behalf of the Geological Survey of Western Australia (“GSWA”). At each sample site, an analytical and archive sample of approximately 2 kg and 4 kg respectively of the <6 mm material was collected. The < 2 mm and + 0.45 mm fraction of the analytical sample was subsequently milled and analysed. This size fraction was chosen to minimise the nugget effect of coarse-grained fragments, and the dilution effect of aeolian material. • The Leonardo project “sub-sampling techniques and sample preparation” information is sourced from 1) Jones, S.A., 2005. <i>Geology of the Yardilla 1:100,000 sheet Explanatory Notes</i>, Geological Survey of Western Australia, 2) Morris, P.A., 2005. <i>GSWA’s Regional Regolith Geochemistry Program: An Overview</i>. Geological Survey of Western Australia. • The “sub-sampling techniques and sample preparation” appears to be fit for purpose for surface sampling within or adjacent to the Leonardo project’s tenure application area.

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • No historical or current analytical data of any rock or soil has been reported in the technical document for the area within the following tenure applications/projects: Domingo, Vulcano, & Narraburra East. • The Leonardo project reported on the mineral prospectivity of surface samples collected by or on behalf of the Geological Survey of Western Australia (“GSWA”). Analyses were carried out by commercial laboratories. To monitor any inter-laboratory variation, samples were analysed using the same analytical conditions where possible, and a series of in-house standards were used throughout the program. To achieve suitably low detection levels at the lowest price, most analyses were carried out using inductively-coupled plasma (ICP) spectrometry for a total of more than 50 analytes. Gold and platinum-group elements (PGEs) were analysed by fire assay preconcentration and an ICP or atomic absorption spectrometry (AAS) finish. • The Leonardo project “sub-sampling techniques and sample preparation” information is sourced from 1) Jones, S.A., 2005. <i>Geology of the Yardilla 1:100,000 sheet Explanatory Notes</i>, Geological Survey of Western Australia, 2) Morris, P.A., 2005. <i>GSWA’s Regional Regolith Geochemistry Program: An Overview</i>. Geological Survey of Western Australia. • The “Quality of assay data and laboratory tests” appears to be fit for purpose for producing and quality assurance for laboratory analysis within or adjacent to the Leonardo project’s tenure application area.
Verification of sampling and assaying	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> 	<ul style="list-style-type: none"> • No historical or current of either drilling or the sampling of any rock or soil has been reported in the technical document for the area within the following tenure applications/projects: Domingo, Vulcano, & Narraburra East. • The Leonardo project reported on the mineral prospectivity of surface

Criteria	<i>JORC Code explanation</i>	Commentary
	<ul style="list-style-type: none"> • <i>Discuss any adjustment to assay data.</i> 	<p>samples collected by or on behalf of the Geological Survey of Western Australia (“GSWA”). The batch of GSWA regolith sample dataset retrieved via Geoview (gs21801002603) indicated that 101 regolith samples were analysed within the general mapsheet area that the project, with 6 duplicate samples, 6 standards and 2 blanks analysed – no significant variances were found in the GSWA regolith sample analysis within or adjacent to the Leonardo project’s tenure application area.</p> <ul style="list-style-type: none"> • The “Verification of sampling and assaying” appears to be fit for purpose for the GSWA regolith laboratory analysis within the Leonardo project’s tenure application area being geologically fit for the purpose of defining areas to be investigated for lithium mineralisation within the tenure Leonardo tenure application.
Location of data points	<ul style="list-style-type: none"> • <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • No historical or current of either drilling or the sampling of any rock or soil has been reported in the technical document for the area within the following tenure applications/projects: Domingo, Vulcano, & Narraburra East. • The Leonardo project reported on the mineral prospectivity of surface samples collected by or on behalf of the Geological Survey of Western Australia (“GSWA”). Data recorded at each site includes the GPS location, site and sample number, the position of the sample in an idealised landform profile, an estimate of the regolith clast, matrix, and cement proportions and type, and the presence of secondary units (e.g. silcrete, calcrete) and bedrock nearby. • The Leonardo project “sampling techniques” information is sourced from 1) Jones, S.A., 2005. <i>Geology of the Yardilla 1:100,000 sheet Explanatory Notes</i>, Geological Survey of Western Australia, 2) Morris, P.A., 2005. <i>GSWA’s Regional Regolith Geochemistry Program: An Overview</i>.

Criteria	JORC Code explanation	Commentary
		<p>Geological Survey of Western Australia.</p> <ul style="list-style-type: none"> The “Location of data points” appears to be fit for purpose for providing mineralisation indicators within or adjacent to the Leonardo project’s tenure application area.
<p>Data spacing and distribution</p>	<ul style="list-style-type: none"> <i>Data spacing for reporting of Exploration Results.</i> <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> No historical or current of either drilling or the sampling of any rock or soil has been reported in the technical document for the area within the following tenure applications/projects: Domingo, Vulcano, & Narraburra East. The Leonardo project reported on the mineral prospectivity of surface samples collected by or on behalf of the Geological Survey of Western Australia (“GSWA”). Data recorded at each site includes the GPS location, site and sample number, the position of the sample in an idealised landform profile, an estimate of the regolith clast, matrix, and cement proportions and type, and the presence of secondary units (e.g. silcrete, calcrete) and bedrock nearby. The Leonardo project “sampling techniques” information is sourced from 1) Jones, S.A., 2005. <i>Geology of the Yardilla 1:100,000 sheet Explanatory Notes</i>. Geological Survey of Western Australia, 2) Morris, P.A., 2005. <i>GSWA’s Regional Regolith Geochemistry Program: An Overview</i>. Geological Survey of Western Australia. The “Location of data points” appears to be fit for purpose for providing mineralisation indicators over Leonardo project’s tenure application area. It is not anticipated that the GSWA regolith sampled and laboratory analysis data would be used in any mineral resource or mineral reserve estimation process. No compositing is discussed in the reviewed documents, it is expected

Criteria	<i>JORC Code explanation</i>	Commentary
		<p>that no compositing occurred for the GSWA regolith sample program: due to the purpose of the GSWA regolith sample data to provide mineralisation indicators within or adjacent to the Leonardo project's tenure application area.</p> <ul style="list-style-type: none">• Leonardo GSWA regolith samples locations are shown in the following map, for those samples which show anomalous lithium values ($X \geq 30\text{ppm}$):

Criteria	JORC Code explanation	Commentary
		 <p>Blue Dots: GSWA regolith samples with Li \geq 30 to 39 ppm</p> <p>Green Dots: GSWA regolith samples with Li \geq 40 ppm</p>
<p>Orientation of data in relation to</p>	<ul style="list-style-type: none"> • Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling 	<ul style="list-style-type: none"> • No historical or current of either drilling or the sampling of any rock or soil has been reported in the technical document for the area within the following tenure applications/projects: Domingo, Vulcano, & Narraburra East. • The Leonardo project reported on the mineral prospectivity of surface

Criteria	JORC Code explanation	Commentary
geological structure	<i>bias, this should be assessed and reported if material.</i>	<p>samples collected by or on behalf of the Geological Survey of Western Australia (“GSWA”). Data recorded at each site includes the GPS location, site and sample number, the position of the sample in an idealised landform profile, an estimate of the regolith clast, matrix, and cement proportions and type, and the presence of secondary units (e.g. silcrete, calcrete) and bedrock nearby.</p> <ul style="list-style-type: none"> • The Leonardo project “sampling techniques” information is sourced from 1) Jones, S.A., 2005. <i>Geology of the Yardilla 1:100,000 sheet Explanatory Notes</i>. Geological Survey of Western Australia, 2) Morris, P.A., 2005. <i>GSWA’s Regional Regolith Geochemistry Program: An Overview</i>. Geological Survey of Western Australia. • The GSWA regolith sampled material is dependent on the spatial sample distribution, in plan view and the topographic surface the sample is extracted from. The GSWA sampled rock units that are exposed or formed by the depositional and/or erosional processes that are possible in the environment at the sampled location – understanding the sampled materials relationship to the surrounding geology is crucial to interpretation of the mineralisation indicators within or adjacent to the Leonardo project’s tenure application area.
Sample security	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • No historical or current of either drilling or the sampling of any rock or soil has been reported in the technical document for the area within the following tenure applications/projects: Domingo, Vulcano, & Narraburra East. • The Leonardo project reported on the mineral prospectivity of surface samples collected by or on behalf of the Geological Survey of Western Australia (“GSWA”). The reviewed GSWA information did not provide exact descriptive details of the sample security, it is anticipated that the samples were collected, tagged, bagged, recorded, transcribed

Criteria	<i>JORC Code explanation</i>	Commentary
		<p>and handled with due care and diligence.</p> <ul style="list-style-type: none"> • The Leonardo project “sampling techniques” information is sourced from 1) Jones, S.A., 2005. <i>Geology of the Yardilla 1:100,000 sheet Explanatory Notes</i>, Geological Survey of Western Australia, 2) Morris, P.A., 2005. <i>GSWA’s Regional Regolith Geochemistry Program: An Overview</i>. Geological Survey of Western Australia. • The “sample security” is considered to be fit for purpose for providing mineralisation indicators over Leonardo project’s tenure application area. It is noted that the GSWA samples are not anticipated to be used to estimate a mineral resource or reserve.
Audits or reviews	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • No historical or current of either drilling or the sampling of any rock or soil has been reported in the technical document for the area within the following tenure applications/projects: Domingo, Vulcano, & Narraburra East. • The Leonardo project reported on the mineral prospectivity of surface samples collected by or on behalf of the Geological Survey of Western Australia (“GSWA”). The company has not ordered additional reviews of the GSWA regolith data, other than to • The Leonardo project “sampling techniques” information is sourced from 1) Jones, S.A., 2005. <i>Geology of the Yardilla 1:100,000 sheet Explanatory Notes</i>, Geological Survey of Western Australia, 2) Morris, P.A., 2005. <i>GSWA’s Regional Regolith Geochemistry Program: An Overview</i>. Geological Survey of Western Australia.

SECTION 2 REPORTING OF EXPLORATION RESULTS

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<p>Mineral tenement and land tenure status</p>	<ul style="list-style-type: none"> Type, reference name/ number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> All four (4) of the project assets, Domingo, Vulcano, Narraburra East and Leonardo have tenure applications submitted to the relevant provincial or state government for an exploration licence or cateo (Argentinean tenure terminology). No impediments have been identified at the time of generating the current report / document that would potentially: <ol style="list-style-type: none"> impede grant; or impose additional unanticipated restrictions; or significantly alter the proposed tenure application area outlined in the tenure application documents.
<p>Exploration done by other parties</p>	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Domingo & Vulcano projects - on behalf of Domingo Lithium and/or its sub entity, Orlico S.A., an Argentinean Geological Consultancy, Condor Prospecting S.A., had completed a few days of field mapping on the Domingo project and the Vulcano project in San Luis, Argentina. Condor Prospecting S.A. provided the photographs taken on the preliminary short duration site visit and verified the satellite image interpretations and the low thorium radiometry interpretations of extensive pegmatites within each of the tenure applications. The aforementioned field mapping is permissible under the Argentinean Exploration Licence Application stage. The low thorium radiometric geophysical survey data was sourced from the Argentinean “National Geological & Mining Survey”. The interpretation of the low thorium radiometric geophysical survey data and the satellite imagery for pegmatites had been conducted by an Argentinean Geological Consultancy, Condor Prospecting S.A. Leonardo project - reported on the mineral prospectivity of surface

Criteria	JORC Code explanation	Commentary
		<p>samples collected by or on behalf of the Geological Survey of Western Australia (“GSWA”). The Leonardo project “sampling techniques” information is sourced from 1) Jones, S.A., 2005. <i>Geology of the Yardilla 1:100,000 sheet Explanatory Notes</i>, Geological Survey of Western Australia, 2) Morris, P.A., 2005. <i>GSWA’s Regional Regolith Geochemistry Program: An Overview</i>. Geological Survey of Western Australia.</p> <ul style="list-style-type: none"> • Domingo & Vulcano projects – a detailed investigation of the historical Mineral Reserves estimated in the San Luis province is yet to be scheduled in, the information had been reviewed in most instances, by the Argentinean “National Atomic Energy Commission”. The historical Mineral Reserves are considered geologically fit for the purpose of considering the mineral prospectively and mineralisation potential of the area surrounding the Narraburra REE deposit, this indicates a potential for spodumene mineralisation but it in no way guarantees if it exists or the extent to which it exists for the Domingo & Vulcano project areas. • Narraburra East project – the Narraburra REE deposit is in close proximity to the Narraburra East tenure application, no detailed investigation of the Mineral Resource or associated publicly available drilling information from Capital Mining Limited (or held by other entities) has been completed at the present point in time. The Mineral Resource is considered geologically fit for the purpose of considering the mineral prospectively and mineralisation potential of the area surrounding the Narraburra REE deposit, this indicates a potential for spodumene mineralisation but it in no way guarantees if it exists or the extent to which it exists for the Narraburra East project area. • Leonardo project – no detailed investigation of the Mineral Resource or associated publicly-available drilling information from Tawana Resources Limited (or held by other entities) has been completed at the present point in time. The Mineral Resource is considered geologically fit for the purpose of considering the mineral prospectively and

Criteria	JORC Code explanation	Commentary
		<p>mineralisation potential of the area surrounding the Bald Hill mine, this indicates a potential for spodumene pegmatite mineralisation but it in no way guarantees if it exists or the extent to which it exists for the Leonardo project area.</p>
Geology	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • The Company's projects are located in the following three (3) key mineral provinces: <ul style="list-style-type: none"> (i) the San Luis province of Argentina; (ii) the state of New South Wales of Australia; and (iii) the state of Western Australia, in Australia. • The geology of each project area is prospective for LCT pegmatites associated with granitic intrusive ore bodies. The project areas were selected based on two or more of the following geological criteria within or in close proximity to the project areas: <ul style="list-style-type: none"> (i) Pegmatites had been mapped in the project area by government geologists; (ii) Pegmatites had been currently or historically mined; (iii) Pegmatite mineralisation had been included in the estimation of mineral resources; (iv) Pathfinder XRF mineralisation for pegmatites had been identified in the analysis of drilling samples in historical exploration tenure reports; and (v) Surface samples collected by government geologists subsequently underwent laboratory analysed show the presence of lithium and/or LCT Pegmatite pathfinder elements. • Lithium-Caesium-Tantalum ("LCT") bearing pegmatites are being targeted on a worldwide basis for lithium bearing minerals. LCT pegmatites, particularly the larger ones, can develop segregated

Criteria	JORC Code explanation	Commentary
		<p>mineralisation which enables the mineral Spodumene to preferentially concentrate in the margin of the core of segregated ore bodies. Targeting the segregated Spodumene mineralisation of LCT Pegmatite ore bodies forms the key plank of the Exploration Strategy, as Spodumene mineralisation can contain Li₂O levels that can be expedited to the lithium market as direct-shipping ore - or a concentrate based on agreed/industry standard Li₂O percentage.</p>
<p>Drill hole Information</p>	<ul style="list-style-type: none"> • <i>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:</i> <ul style="list-style-type: none"> ○ <i>easting and northing of the drill hole collar</i> ○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth</i> ○ <i>hole length.</i> • <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> 	<ul style="list-style-type: none"> • No historical or current drilling has been reported within the technical document for any of the tenure applications.
<p>Data aggregation methods</p>	<ul style="list-style-type: none"> • <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.</i> • <i>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.</i> • <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> • No historical or current drilling has been reported within the technical document for any of the tenure applications.

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg ‘down hole length, true width not known’).</i> 	<ul style="list-style-type: none"> • No historical or current drilling has been reported within the technical document for any of the tenure applications.
Diagrams	<ul style="list-style-type: none"> • <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> • No historical or current drilling has been reported within the technical document for any of the tenure applications.
Balanced reporting	<ul style="list-style-type: none"> • <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> 	<ul style="list-style-type: none"> • No historical or current of either drilling or the sampling of any rock or soil has been reported in the technical document for the area within the following tenure applications/projects: Domingo, Vulcano, & Narraburra East. • The Leonardo project reported on the mineral prospectivity of surface samples collected by or on behalf of the Geological Survey of Western Australia (“GSWA”). • The Leonardo project “sampling techniques” information is sourced from 1) Jones, S.A., 2005. <i>Geology of the Yardilla 1:100,000 sheet Explanatory Notes</i>, Geological Survey of Western Australia, 2) Morris, P.A., 2005. <i>GSWA’s Regional Regolith Geochemistry Program: An Overview</i>. Geological Survey of Western Australia. • The “Location of data points” appears to be fit for purpose for providing mineralisation indicators over Leonardo project’s tenure application area. It is not anticipated that the GSWA regolith sampled and laboratory analysis data would be used in any mineral resource or

Criteria	JORC Code explanation	Commentary
<p>Other substantive exploration data</p>	<ul style="list-style-type: none"> <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<p>mineral reserve estimation process.</p> <ul style="list-style-type: none"> Domingo & Vulcano projects - on behalf of Domingo Lithium and/or its sub entity, Orlico S.A., an Argentinean Geological Consultancy, Condor Prospecting S.A., had completed a few days of field mapping on the Domingo project and the Vulcano project in San Luis, Argentina. Condor Prospecting S.A. provided the photographs taken on the preliminary short duration site visit and verified the satellite image interpretations and the low thorium radiometry interpretations of extensive pegmatites within each of the tenure applications. The aforementioned field mapping is permissible under the Argentinean Exploration Licence Application stage. The low thorium radiometric geophysical survey data was sourced from the Argentinean “National Geological & Mining Survey”. The interpretation of the low thorium radiometric geophysical survey data and the satellite imagery for pegmatites had been conducted by an Argentinean Geological Consultancy, Condor Prospecting S.A. At the present point in time no other substantiative geological data has been reviewed for any of the tenure applications, the section “Further work” considers other exploration data that is flagged for future work.
<p>Further work</p>	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> With consideration of the context of commercial sensitivity for the project areas, the following items are considered disclosable: <ul style="list-style-type: none"> (i) Domingo & Vulcano projects - A systematic exploration program is being developed for each of the San Luis province tenure applications, leveraging the recent success in the verification of the satellite photographic interpretation via preliminary short field trips; (ii) Narraburra East project - Further Technical Desktop Study work is required to understand how the LCT Pegmatites were emplaced and the most likely granitic source(s) from the multiple granitic

Criteria	JORC Code explanation	Commentary
		<p>bodies in the area. The further technical Desktop Study work will assist in the selection of areas to be mapping and/or the ranking of drill targets proposed in the initial tenure application documents. At the present point in time this further work is scheduled for the first quarter of the 2018 calendar year; and</p> <p>(iii) Leonardo project - The Geological Survey of Western Australia (“GSWA”) surface regolith analytical results have been interpreted to indicate that weathered pegmatite material is present in the tenure application area, further interpretation of the trend data, complimented by geological mapping, path finder element analysis by hand held X-Ray Florescence units, selective sampling and laboratory geochemical analysis is proposed to facilitate selection and the ranking of drill targets within the tenure application area.</p>

For personal use only

DOMINGO LITHIUM PTY LTD ABN 80 622 361 184

Financial Statements

For the period from 19 October 2017 to 31 December 2017

Contents

Profit or Loss Statement

Balance Sheet

Notes to the Financial Statements

Director's Declaration

Independence Declaration

Auditors' Report

For personal use only

DOMINGO LITHIUM PTY LTD ABN 80 622 361 184

Profit or Loss Statement

For the period 19 October 2017 to 31 December 2017

2017
\$

Income

Interest received	5
Total income	<u>5</u>

Expenses

Bank fees & charges	13
Corporate & consulting services	25,000
Formation costs	950
Licence / Application costs	44,809
Total expenses	<u>70,772</u>
(Loss) from Ordinary Activities before income tax	(70,767)
Income tax expense	-
(Loss) from Ordinary Activities before after tax	(70,767)

DOMINGO LITHIUM PTY LTD ABN 80 622 361 184
Balance Sheet as at 31 December 2017

Note 2017
\$

Current Assets

Cash Assets

Cash at bank	9,481
	<u>9,481</u>

Receivables

Loan - Condor Prospecting (\$7k USD)	9,637
	<u>9,637</u>

Current Tax Assets

GST receivable	5,095
	<u>5,095</u>

Total Current Assets 24,213

Total Assets 24,213

Current Liabilities

Payables

Unsecured:

Other creditors	55,000
	<u>55,000</u>

Total Current Liabilities 55,000

Total Liabilities 55,000

Net Assets (Liabilities) (30,787)

Equity

Issued Capital

Issued & paid up capital	39,980
Retained profits / (accumulated losses)	(70,767)
	<u>(70,767)</u>

Total Equity (30,787)

These financial statements must be read in conjunction with notes which form part of these financial statements.

DOMINGO LITHIUM PTY LTD ABN 80 622 361 184

Notes to the Financial Statements

For the period 1 July 2017 to 31 December 2017

Note 1: Summary of Significant Accounting Policies

The director has prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependant on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of the members.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the director has determined are appropriate to meet the needs of the members.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of the statements are as follows:

(a) 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 within borrowings in current liabilities on the balance sheet.

(b) Revenue and Other Income

Revenue is measured at the value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest rate 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.

Revenue recognised related to the provision of services is determined with reference to the stage of completion of the transaction at the reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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

(c) 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 Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

(d) Trade and Other Payables

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

(e) Going concern

Notwithstanding the Company has a working capital deficiency of \$30,787, the Director is of the opinion that the Company is a going concern for the following reason:

The Company has the ability to raise further capital from existing shareholders or from alternative sources.

Should the capital raising not be completed, there is a material uncertainty that may cast significant doubt as to whether the Company will be able to realise its assets and extinguish its liabilities in the normal course of business.

DOMINGO LITHIUM PTY LTD ABN 80 622 361 184
Director's Declaration

The director has determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies prescribed in Note 1 to the financial statements.

The director of the company declares that:

1. the financial statements and notes, present fairly the company's financial position as at 31 December 2017 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
2. in the director's opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the director.



Kim Wainwright

Director

Dated: 15/02/18

For personal use only

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Domingo Lithium Pty Ltd for the period ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct.

Perth, Western Australia
15 February 2018


D I Buckley
Partner

INDEPENDENT AUDITOR'S REPORT

To the Members of Domingo Lithium Pty Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Domingo Lithium Pty Ltd ("the Company") which comprises the balance sheet as at 31 December 2017, and the profit or loss statement, for the period then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Company as at 31 December 2017 and its financial performance for the period then ended in accordance with the accounting policies described in note 1 to the financial report.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1(e) in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of matter – Basis of accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the entity meet the requirements of Note 1. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the financial report

The directors of the Company are responsible for the preparation and fair presentation of the special purpose financial report in accordance with the accounting policies described in Note 1 of the financial statement and for such internal control as directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4 130 Stirling Street Perth WA 6000 | PO Box 8124 Perth BC WA 6849 | Telephone +61 (08) 9227 7500 | Fax +61 (08) 9227 7533

Email: mailbox@hlbwa.com.au | Website: www.hlb.com.au

Liability limited by a scheme approved under Professional Standards Legislation

In preparing the special purpose financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

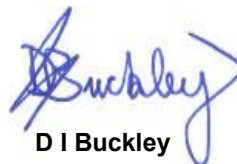
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



HLB Mann Judd
Chartered Accountants



D I Buckley
Partner

Perth, Western Australia
15 February 2018