

PROSPECTUS **KINTORE** RESOURCES  
LIMITED

ACN 128 761 688

For the issue of up to 25,000,000 Shares at an issue price of 20 cents each to raise up to \$5,000,000

*Important Information* This is an important document that you should read in its entirety. If you do not understand it, you should consult your professional advisor without delay. The shares offered by this Prospectus should be considered speculative.

## Important Notice

This Prospectus is dated 17 October 2008

A copy of this Prospectus was lodged with the ASIC on 17 October 2008. Neither the ASIC nor ASX take any responsibility for the contents of this Prospectus.

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

No Shares will be issued on the basis of this Prospectus later than thirteen (13) months after the date of this Prospectus. Application will be made within seven (7) days after the date of this Prospectus for permission for the Shares offered by this Prospectus to be listed for Quotation.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make an offer.

Applicants should read this document in its entirety and, if in any doubt, consult with their professional advisors before deciding whether to apply for Shares. There are risks associated with an investment in Kintore and the Shares offered under this Prospectus must be regarded as a speculative investment. The Shares offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Shares.

Certain abbreviations and other defined terms are used throughout this Prospectus. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations used are set out in Section 9 of this Prospectus.

All amounts are in Australian dollars unless otherwise specified.

## Exposure Period

In accordance with Chapter 6D of the Corporations Act, this Prospectus is subject to an Exposure Period of 7 days from the date of lodgement of the Prospectus with the ASIC. This period may be extended by the ASIC for a further period of 7 days. The purpose of this Exposure Period is to enable the Prospectus to be examined by market participants prior to the raising of the funds, which examination may result in the identification of deficiencies in this Prospectus. If this Prospectus is found to be deficient, Applications received during the Exposure Period will be dealt with in accordance with section 724 of the Corporations Act. Applications received prior to the expiration of the Exposure Period will not be processed until after the Exposure Period. No preference will be conferred upon Applications received in the Exposure Period.

## Electronic Prospectus

This Prospectus will be issued in paper form and as an electronic Prospectus, which may be viewed online at [www.kintoreresources.com.au](http://www.kintoreresources.com.au). The offer of Shares pursuant to this Prospectus is available to persons receiving an electronic version of this Prospectus in Australia. The Corporations Act 2001 prohibits any person from passing onto another person the Application Form unless it is attached to or accompanied by the complete and unaltered version of this Prospectus. During the Offer Period, any person may obtain a hard copy of this Prospectus by contacting the Company by e-mail at [admin@kintoreresources.com.au](mailto:admin@kintoreresources.com.au).

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### **Current Directors**

Ian Prentice

**Managing Director**

Kent Hunter

**Non-Executive Director**

Jonathan Murray

**Non-Executive Director**

### **Proposed Director**

Hugh Herbert

**Non-Executive Director**

### **Company Secretary**

Elizabeth Hanrahan

### **Registered Office**

Level 2, 79 Hay Street  
SUBIACO WA 6008

### **Contact Details**

Web: [www.kintorereresources.com.au](http://www.kintorereresources.com.au)

Email: [admin@kintorereresources.com.au](mailto:admin@kintorereresources.com.au)

Ph: (08) 9200 6248

Fax: (08) 9200 6249

### **IPO Compliance Managers**

Mining Corporate Pty Ltd

PO Box 1905

SUBIACO WA 6904

### **Legal Advisors to the Company**

Steinpreis Paganin

Level 4, The Read Buildings

16 Milligan Street

PERTH WA 6000

### **Independent Geologist**

Luksam Consultants

PO Box 2486

TOOWOOMBA QLD 4350

### **Investigating Accountants**

Bentleys

Level 1, 12 Kings Park Road

WEST PERTH WA 6005

### **Share Registry**

Advanced Share Registry Services

150 Stirling Highway

NEDLANDS WA 6009

Ph: (08) 9389 8033

Fax: (08) 9389 7871

### **Auditors**

Bentleys

Level 1, 12 Kings Park Road

WEST PERTH WA 6005

## Section one INVESTMENT OVERVIEW

### 1.1 Important Notice

Prospective investors should read this Prospectus in its entirety, including the Independent Geologist's Report in Section 5, the Investigating Accountant's Report in Section 6, and the Solicitor's Report on Tenements in Section 7.

Neither Kintore nor any other person guarantees the performance of the Shares offered pursuant to this Prospectus, or the performance of Kintore or the return on any investment.

### 1.2 Investment Highlights

- Kintore is an Australian based exploration company established to explore for and develop mineral resources in Australia and other jurisdictions.
- The Company has entered into a share sale agreement with shareholders of Arcadia Resources Limited (**Arcadia**) pursuant to which the Company has the right to acquire all of the issued share capital of Arcadia, and thereby a 100% interest in the Derby Tin Project in north east Tasmania.
- The Board (including the Proposed Directors) has extensive and relevant experience in the mineral exploration and finance industries.
- Upon successful completion of the Offer, the Company will have only 47,500,001 Shares on issue offering Shareholders excellent leverage to exploration success.
- Kintore is looking to develop its assets at a time when the tin price has increased from ~US\$9,000 per tonne to ~US\$14,000 per tonne (having reached a high of US\$25,000 per tonne) over the past two years.
- Kintore will maintain an active program of identifying projects that complement the Derby Tin Project and the corporate strategy of the Company.
- The above highlights are a brief summary only, and must be read in conjunction with the remainder of this Prospectus. Particular attention should be made to the Risk Factors detailed in Section 4 of this Prospectus.

### 1.3 Risks

There are risks associated with an investment in the Company which are discussed in Section 4 of this Prospectus. Some of the principal risks include:

- There can be no assurance that exploration of the Project in which the Company is acquiring an interest or other exploration properties that may be acquired by the Company in the future will result in the discovery of an economic resource.

- Investment risks include economic risks such as changes in commodity prices, interest rates and exchange rates.
- Environmental and regulatory risks.
- Operational risks such as a failure to locate or identify mineral deposits in respect of the Project in which the Company is acquiring an interest.
- Title to the tenement in which the Company is acquiring an interest is subject to the tenement holder complying with the terms and conditions of the tenement. A summary of the terms and conditions attaching to the tenement is set out in the Solicitor's Report on Tenements in Section 7.

**Prospective investors should carefully review the Risk Factors set out in Section 4 of this Prospectus and consult their professional adviser with any questions.**

#### 1.4 Summary of the Offer

By this Prospectus, the Company invites investors to apply for up to 25,000,000 Shares at an issue price of 20 cents each to raise up to \$5,000,000.

#### 1.5 Application of Proceeds

It is intended to apply funds raised from the Offer in the two years after listing on ASX as follows:

Use of Funds	Minimum Subscription \$	Full Subscription \$
Pre-Offer cash and receivables	192,415	192,415
Total raised in the Offer	3,500,000	5,000,000
<b>Total Funds Available</b>	<b>3,692,415</b>	<b>5,192,415</b>
Exploration expenditure (refer Section 3)	2,370,000	2,605,000
Expenses of the Offer	360,677	454,684
Administration costs	900,000	900,000
Additional working capital	61,738	1,232,731
<b>Total Funds Applied</b>	<b>3,692,415</b>	<b>5,192,415</b>

Notes:

- 1 Exploration expenditures will be reviewed on an on-going basis, depending upon the nature of results forthcoming from the respective work programmes.
- 2 In the event that more than the minimum subscription and less than the maximum subscription is raised, the Company intends to allocate the funds primarily towards additional working capital (after increased costs of the Offer). Please refer to Section 3.3 for details of proposed Exploration expenditure.

- 3 The above tables represent statements of the intended use of the funds raised by the Company as at the date of this Prospectus. However, it must be recognised that all exploration budgets may change as the programs conducted provide encouragement or disappointment and new opportunities may be identified elsewhere.
- 4 Further, it is the Company's intention to increase and accelerate its exploration and drilling programs to achieve results as soon as practicable and, subject to encouraging results being obtained, to delineate resources. The Company may seek to raise additional funds within two years after listing on ASX to the extent required to increase and accelerate the exploration and drilling programs as determined by the Board.

**Following the completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives.**

## 1.6 Pro-forma Capital Structure

The pro-forma capital structure of Kintore is summarised in the table below. The table assumes the Offer is fully subscribed.

	Number	%
Shares presently on issue	9,500,001	20.0
Shares to be issued to Arcadia Shareholders	13,000,000	27.4
Shares now offered	25,000,000	52.6
<b>Total Issued Capital</b>	<b>47,500,001</b>	<b>100.0</b>

### Shares

A total of 47,500,001 Shares will be on issue in the Company at the successful completion of the Offer. Of these, 13,000,000 Shares will be issued pursuant to the share sale agreement to acquire the issued capital of Arcadia.

### Options

The maximum number of Options to be issued is summarised in the table below. Please refer to Section 8.1(g) for details of Option terms and conditions.

Exercise price	Expiry date	Number
\$0.25	30 June 2011	1,750,000
\$0.35	30 June 2012	1,750,000
\$0.40	31 December 2013	3,000,000

Section 8.4 details the number of Options issued to Directors and to be issued to the Proposed Director on their appointment.

The Company has entered into an agreement with DEA Trading Pty Ltd for the issue of 3,000,000 Options exercisable at \$0.40 each on or before 31 December 2013 as consideration for the role of facilitating the acquisition of Arcadia, subject to ASX granting the Company conditional approval to list on ASX. DEA Trading Pty Ltd are not associated with any Director or Proposed Director.

## 1.7 Restricted Securities

Securities on issue as at the date of this Prospectus may be subject to the restricted securities provisions of the Listing Rules. Accordingly, a proportion of such securities may be required to be held in escrow for up to 24 months and may not be transferred, assigned or otherwise disposed of during that period. These agreements will be entered into in accordance with the Listing Rules.

## 1.8 Oversubscriptions

The Company will not accept oversubscriptions.

## 1.9 Indicative Timetable

Lodgement of Prospectus with ASIC	17 October 2008
Opening Date for Applications	27 October 2008
Closing Date for Applications	28 November 2008
Expected dispatch of holding statements	5 December 2008
Expected date for listing on ASX	12 December 2008

These dates are indicative only and may vary. Kintore reserves the right to close the Offer early, or extend the Closing Date without prior notice. Applicants are therefore encouraged to submit Applications as soon as possible after the Opening Date.

## Section two DETAILS OF THE OFFER

### 2.1 Shares Offered for Subscription

This Prospectus invites investors to apply for up to a total of 25,000,000 Shares at an issue price of 20 cents per Share to raise up to \$5,000,000 before expenses of the Offer. All Shares issued pursuant to this Prospectus will be issued as fully paid and will rank equally in all respects with the Shares currently on issue.

### 2.2 How to Apply

Applications for Shares under the Offer can only be made on the Application Form attached to this Prospectus.

The Application Form must be completed in accordance with the instructions set out on the back of each Application Form.

**Completed Application Forms and accompanying cheques should, at any time after the Opening Date, be:**

**Posted to:**

Kintore Resources Limited  
C/- Advanced Share Registry Services  
PO Box 1156  
NEDLANDS WA 6909

**OR**

**Delivered to:**

Kintore Resources Limited  
C/- Advanced Share Registry Services  
150 Stirling Highway  
NEDLANDS WA 6009

Cheques must be made payable to "Kintore Resources Limited – Application Funds" and crossed "Not Negotiable".

No brokerage or stamp duty is payable by Applicants.

Applications must be for a minimum of 10,000 Shares and thereafter in multiples of 1,000 Shares, and can only be made by completing the Application Form attached to this Prospectus.

The Company reserves the right to reject any Application or to allocate an Applicant fewer Shares than the number applied for.

### 2.3 Allotment of Shares

Subject to ASX granting approval for the Company to be admitted to the Official List, the allotment of Shares to Applicants will occur as soon as possible after the Closing Date, following which statements of shareholdings will be dispatched to successful Applicants. It is the responsibility of Applicants to determine their allocation prior to trading in Shares. Applicants who sell Shares before they receive their holding statements will do so at their own risk.

Pending the issue of the Shares, or return of the Application Monies, the Application Monies will be held in trust for the Applicants.

The Directors have the right to allocate Shares under the Offer. The Company may reject any Application or allocate any Applicant fewer Shares than the number applied for under the Offer.

If an Application is not accepted, or is accepted in part only, the relevant part of the Application Monies will be refunded. Interest will not be paid on Application Monies refunded.

## 2.4 Minimum Subscription

The minimum subscription to the Offer is 17,500,000 Shares at an issue price of 20 cents per Share to raise \$3,500,000 before expenses of the Offer. If the minimum subscription has not been raised within three (3) months after the date of this Prospectus, all Applications will be dealt with in accordance with the Corporations Act 2001.

## 2.5 Applicants Outside Australia

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify these Shares or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia.

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

## 2.6 Underwriting

The Offer is not underwritten.

## 2.7 ASX Listing

Within 7 days after the date of this Prospectus, application will be made for the Shares offered by this Prospectus to be granted Quotation.

If approval for Quotation is not granted within three (3) months after the date of this Prospectus, the Company will not allot or issue any Shares, and will repay all Application Monies **without interest** as soon as practicable.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may admit Kintore to the Official List is not to be taken in any way as an indication of the merits of the Company or the Shares offered pursuant to this Prospectus.

## 2.8 Arrangements with Brokers

The Company reserves the right to pay a commission of 6% of amounts subscribed to any licensed securities dealer or Australian Financial Services Licensee in respect of valid Applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian Financial Services Licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian Financial Services Licensee.

## 2.9 Forecasts

Kintore is predominantly a tin exploration company. Given the speculative nature of exploration and tin development and production, there are significant uncertainties associated with forecasting future revenue. On this basis, the Directors believe that reliable forecasts cannot be prepared and accordingly have not included forecasts in this Prospectus.

## 2.10 CHESS

Kintore will apply to participate in the Clearing House Electronic Subregister System (**CHESS**), operated by ASX Settlement and Transfer Corporation Pty Ltd (**ASTC**) (a wholly owned subsidiary of ASX), in accordance with the Listing Rules and ASTC Settlement Rules. On admission to CHESS, the Company will operate an electronic issuer-sponsored subregister and an electronic CHESS subregister. The two subregisters together will make up the Company's principal register of securities.

Under CHESS, the Company will not issue certificates to Shareholders. Instead, the Company will provide Shareholders with a holding statement (which is similar to a bank account statement) that sets out the number of Shares allotted to that Shareholder under this Prospectus.

This statement will also advise investors of either their Holder Identification Number (**HIN**) in the case of a holding on the CHESS sub-register or Security Holder Reference Number (**SRN**) in the case of a holding on the issuer-sponsored sub-register.

A statement will be routinely sent to holders at the end of any calendar month during which their holding changes. A holder may request a statement at any other time however a charge may be incurred for additional statements.

## 2.11 Privacy Disclosure

The Company collects information in relation to each Applicant as provided on an Application Form (**Information**) for the purposes of processing the Application Form and, should the Application be successful, to administer the Applicant's security holding in the Company (**Purposes**).

The Company may use the Information for the Purposes and the Company may disclose the Information for the Purposes to the Share Registrar, the Company's related bodies corporate, agents, contractors and third party service providers, and to ASX, ASIC and other regulatory authorities.

The Information may also be used and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, licensed securities dealers, mail houses, and regulatory bodies including the Australian Taxation Office.

## **2.12 Risk Factors**

Prospective investors in the Company should be aware that subscribing for Shares the subject of this Prospectus involves a number of risks. These risks are set out in Section 4 of this Prospectus and investors are urged to consider those risks carefully (and, if necessary, consult their professional adviser) before deciding whether to invest in the Company. The risk factors set out in Section 4 of this Prospectus, and other general risks applicable to all investments in listed securities not specifically referred to, may in the future affect the value of the Shares. Accordingly, an investment in the Company should be considered highly speculative.

## **2.13 Enquiries**

This Prospectus provides information for potential investors in Kintore and it should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in Kintore, please contact your stockbroker, accountant or independent financial adviser.

## Section three COMPANY AND PROJECT OVERVIEW

### 3.1 Background

Kintore was incorporated on 4 December 2007 for the purpose of acquiring resource based projects in Australia. The Derby Tin Project was identified by the Directors as being highly prospective, having targets ready for drill testing as well as conceptual targets all within an area with a history of productive mining. The Company intends to use the funds raised from the Offer to begin a detailed work program to assess the Project.

Further details of the Project are summarised in Section 3.3, and full particulars of the geological settings and work undertaken previously on the tenement are set out in the Independent Geologist's Report in Section 5 of this Prospectus.

It is the primary objective of Kintore to become a successful and profitable exploration and mining company. The Company aims to achieve this objective through utilising the collective experience of the Board and management team to advance the Project and to identify complementary resource projects

### 3.2 Details of Acquisition Agreement

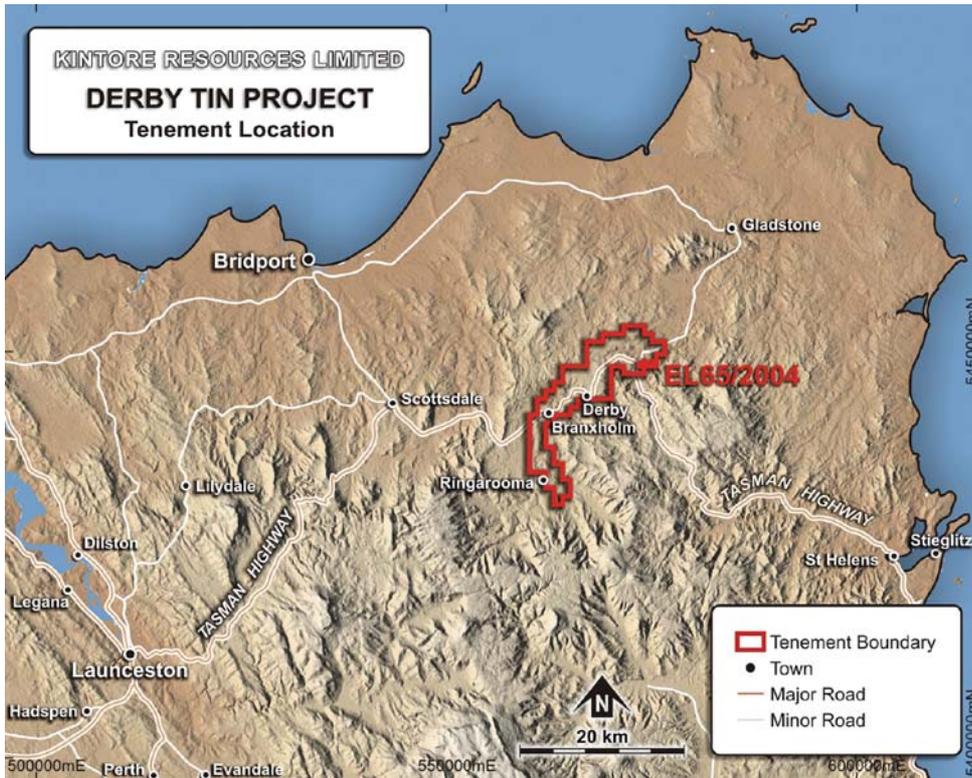
The Company has entered into a share sale agreement with Arcadia shareholders pursuant to which the Company has the right to acquire 100% of the issued capital of Arcadia in consideration for the issue of Shares to Arcadia shareholders. Arcadia holds the right to acquire a 100% beneficial interest in the Derby Tin Project in north east Tasmania.

Refer to Section 8.3 of this Prospectus for details of the material terms and conditions of the share sale agreement.

### 3.3 Details of the Project

The Derby Tin Project consists of an exploration licence covering an area of 100km<sup>2</sup> located in north east Tasmania. The Project encompasses a series of historic deep lead (alluvial) tin deposits with recorded production of some 23,522 tonnes of tin (equivalent to around A\$480 million value at current tin prices), which represents 63% of alluvial tin mined from north east Tasmania. At least six leads have been mined within the Project area, dating back to the 1870's when alluvial tin was first discovered in the region, with the main producers being the Briseis Mine (Cascade Lead) with 20,787 tonnes produced and the Arba Mine (Branxholm Lead) with 2,180 tonnes produced.

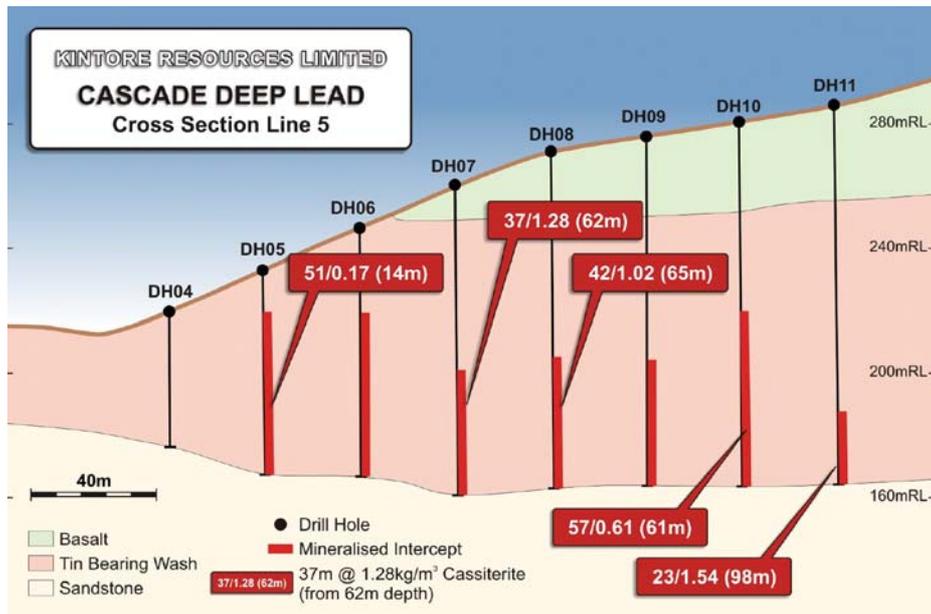
Tin is the primary commodity being targeted within the Project area; however deep lead deposits in north eastern Tasmania have also been known to contain accessory minerals with the cassiterite such as sapphire, zircon, rutile, ilmenite, gold and topaz.



**Project Location Plan – North East Tasmania**

The tin has been sourced from the granites of the nearby Blue Tier Batholith and deposited in high energy alluvial channels that flowed in a north westerly direction from the Blue Tier Batholith. Subsequent events of basaltic volcanism have partially obscured these palaeochannels such that exposure of the mineralised channels is restricted to areas adjacent to the outcropping granite and where recent river systems have stripped away the basalt cover.

Previous exploration has largely focused on the immediate environs of the historic mines, which are generally located in areas of minimal cover adjacent to the granite contact. Drilling completed between the 1930's and 1980's has identified extensions of the deep lead tin mineralisation at a number of locations within the Project area, with particular emphasis on the Briseis and Arba mines. As shown in the cross section below, systematic step out drilling at Briseis returned a number of wide intersections.



### Briseis Mine – Cascade Lead – Drill Section

The palaeochannels that host the tin mineralisation are known to extend under the basalt cover and have been interpreted by previous explorers to trend in a north westerly direction before joining the main river system, now referred to as the ancestral Ringarooma River. Ten palaeochannels have been identified as targets for potential deep lead tin mineralisation under cover, with most of these being defined by historic mining activities in their upper reaches. The ancestral Ringarooma River is also considered a viable target for deep lead tin mineralisation, with all of the tributaries draining from the Blue Tier Batholith feeding in to this palaeochannel.

Recent trialling of ground based electro magnetics (EM) has indicated that this is a viable technique to map the interpreted palaeochannels beneath the basalt cover. Kintore is proposing to complete an airborne EM survey over the broader Project area to map out the orientation and location of the extensions of the palaeochannels and the ancestral Ringarooma River.

Kintore proposes to conduct aircore and RC drilling designed to confirm the zones of mineralisation defined by previous operators, such as the extensions of the Briseis and Arba mines, as well as first pass testing of the palaeochannels identified through the EM survey. Success at this stage of exploration could lead to resource estimation and subsequent optimisation / pre feasibility studies.

### Why Focus on Tin?

Tin is earning itself the tag as the Green Metal due to its benign properties (i.e. non toxic, resistant to corrosion, easily recycled), with tin solder rapidly replacing lead solder in applications that come in to contact with humans. As such tin demand has been increasing over the past 3 – 5 years, while at the same time the production of refined tin has been stable at best. This position has been exacerbated in recent times by falling production in the world’s two main suppliers of tin, China and Indonesia.

The Company does not intend to limit its exploration activities to tin, however it believes this will be the focus of its exploration on the Project.

## Project Generation

Whilst the Company will focus its exploration activities on the Derby Tin Project it will also consider and evaluate any potential new resource based projects in Australia and overseas with a view to increasing the number of projects held by the Company. No specific criteria for the identification of such projects has been determined by the Company at this stage.

## Proposed Exploration Budget

The Company proposes to fund its intended activities as outlined in the tables below from the proceeds of the Offer. It should be noted that the budgets will be subject to modification on an ongoing basis depending on the results obtained from such exploration as carried out. This involves an ongoing assessment of the Company's project interests and may lead to increased or decreased levels of expenditure on certain interests reflecting a change in emphasis. Subject to the above, the following expenditure is proposed:

### Full Subscription (\$5m) Proposed Exploration Budget: Derby Tin Project

Expenditure	Year 1	Year 2	Total
Data acquisition and land management	45,000	25,000	70,000
Geological mapping	55,000	75,000	130,000
Surface sampling and prospecting	65,000	55,000	120,000
Geophysics	280,000	70,000	350,000
RAB/AC Drilling	80,000	165,000	245,000
RC Drilling	245,000	470,000	715,000
Assays	220,000	380,000	600,000
Mining studies	30,000	345,000	375,000
<b>Total</b>	<b>1,020,000</b>	<b>1,585,000</b>	<b>2,605,000</b>

### Minimum Subscription (\$3.5m) Proposed Exploration Budget: Derby Tin Project

Expenditure	Year 1	Year 2	Total
Data acquisition and land management	30,000	20,000	50,000
Geological mapping	45,000	65,000	110,000
Surface sampling and prospecting	55,000	45,000	100,000
Geophysics	280,000	70,000	350,000
RAB/AC Drilling	80,000	145,000	225,000
RC Drilling	205,000	430,000	635,000
Assays	185,000	340,000	525,000
Mining studies	30,000	345,000	375,000
<b>Total</b>	<b>910,000</b>	<b>1,460,000</b>	<b>2,370,000</b>

## Summary

In summary, the Company has acquired interests in a prospective exploration project with the potential to host tin occurrences. The Company believes it can achieve its objectives with its management team, which has a background in mineral exploration and finance.

The Company has commitments for expenditure on granted tenements in accordance with the ASX Listing Rules.

### 3.4 Board of Directors

#### Current

##### **Managing Director Ian Prentice, B.Sc (Geol), Grad. Dip SIA, M.AusIMM**

Mr Prentice is a geologist with over 20 years of mining industry, corporate and stockbroking experience, including management of an ASX listed exploration and mining company. He has gained experience in all facets of exploration and mining across a range of commodities with a number of mid-to-large cap mining companies. He gained an insight into a broad range of commercial aspects of publicly listed exploration and mining companies, from capital raisings through to investor communication, while working as a mining analyst. Mr Prentice is also a director of Winchester Resources Limited and was previously Managing Director of Gleneagle Gold Limited.

##### **Non-Executive Director Kent Hunter, BBus, CA**

Mr Hunter is a Chartered Accountant with over 15 years' corporate and company secretarial experience. He has been involved in the listing of over 20 companies, primarily exploration, on ASX in the past 8 years. He has experience in capital raisings, ASX compliance and regulatory requirements and is currently a director of Cazaly Resources Limited, Scimitar Resources Limited, Gryphon Minerals Limited and Red Emperor Resources NL and is company secretary of two other ASX listed entities.

##### **Non-Executive Director Jonathan Murray, LLB, BCom**

Mr Murray has practised as a corporate lawyer since 1996 having graduated from Murdoch University in Western Australia with a Bachelor of Laws and Commerce (majoring in accounting). He is currently a partner with corporate law firm Steinepreis Paganin and a director of Bellamel Mining Limited.

Mr Murray has significant experience in corporate and resources law having advised on numerous initial public offers and secondary capital raisings, all forms of acquisition and mergers (including takeovers and schemes of arrangement), large scale project acquisitions and divestments generally.

Mr Murray is also a member of FINSIA (formerly the Securities Institute of Australia).

#### Proposed

**The Company will appoint Mr Hugh Herbert as a Director conditional on achieving ASX listing and under the terms of the share sale agreement with Arcadia.**

##### **Non-Executive Director Hugh Herbert, BSc, MSc, PhD**

Dr Herbert is an economic geologist/geochemist with 44 years' experience in mineral exploration, academia, Government service, mineral science consultancy and company management. Contributions made to "the advancement and enrichment of Australia, its people and way of life" were recognised by the Advance Australia Foundation in March 1995 with the presentation of the Advance Australia Award in recognition of his "Outstanding Contribution in Science". Dr Herbert is a past Federal Treasurer and Councilor of the Geological Society of Australia Inc. He has served on Government Expert Working Parties and Minerals Industry Advisory Committees and is currently executive chairman and managing director of ASX listed Argo Exploration Ltd.

### 3.5 Corporate Governance

The Board is responsible for the overall corporate governance of the Company, and it recognises the need for the highest standards of ethical behaviour and accountability. The Board is committed to administering its Corporate Governance structures to promote integrity and responsible decision-making. To the extent that they are relevant to the organisation, the Company has adopted the principles outlined in the Corporate Governance Principles and Recommendations as published by the ASX Corporate Governance Council.

The following policies and procedures have been implemented and are available in full on the company's website at **[www.kintoreresources.com.au](http://www.kintoreresources.com.au)**

- Statement of Board and Management Functions;
- Code of conduct for Directors and Key Executives;
- Share Trading Policy;
- Audit Committee Charter;
- Continuous Disclosure Policy;
- Shareholder Communications Strategy;
- Risk Management Policy;
- Remuneration Committee Charter;
- Process for performance evaluation of the Board, board committees, individual directors and key executives; and
- Corporate Code of Conduct.

The Board will consider on an ongoing basis its Corporate Governance procedures and whether they are sufficient given the Company's nature of operations and size.

## Section four RISK FACTORS

The business activities of the Company are subject to various risks that may impact on the future performance of the Company. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. There are a number of risk factors that investors should consider and seek independent advice on, before deciding whether or not to invest in Shares. The principal risk factors include, but are not limited to, the following:

### 4.1 Economic Risks

General economic conditions, movements in interest and inflation rates, the prevailing global tin price and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (a) general economic outlook;
- (b) interest rates and inflation rates;
- (c) currency fluctuations;
- (d) changes in investor sentiment;
- (e) the demand for, and supply of, capital; and
- (f) terrorism or other hostilities.

### 4.2 Exploration Risk

Potential investors should understand that tin exploration and development is a high-risk undertaking.

There can be no assurance that exploration of acquired projects or any other exploration properties that may be acquired in the future will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to the Project and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the tenement, a reduction in the case reserves of the Company and possible relinquishment of the Project.

#### **4.3 Environmental Impact Constraints**

The Company's exploration programs will, in general, be subject to approval by governmental authorities. Development of any of the Company's properties will be dependent on the project meeting environmental guidelines and, where required, being approved by governmental authorities.

#### **4.4 Operating Risks**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits; failure to achieve predicted grades in exploration and mining; operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

Having been incorporated on 4 December 2007, Kintore does not have any operating history, although it should be noted that the Directors have between them significant operational experience. No assurances can be given that Kintore will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until Kintore is able to realise value from its projects, it is likely to incur ongoing operating losses.

#### **4.5 Resource Estimates**

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

#### **4.6 Exploration Cost Estimate**

The exploration costs of the Company described in Section 3 of this Prospectus are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

#### **4.7 Title Risks and Native Title**

Interests in tenements in Australia are governed by the respective State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments. It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest; there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

Reference should be made to the relevant section of the Solicitor's Report on Tenements set out in Section 7 of this Prospectus for information on the issue of title and a description of the native title regime in Tasmania.

#### **4.8 Additional Requirements for Capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under this Prospectus. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programs as the case may be.

#### **4.9 Reliance on Key Management**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

#### **4.10 Specific Risks Associated with the Company**

The tenement in which the Company will acquire an interest upon completion of the share sale agreement with the shareholders of Arcadia was granted in respect of category 1 (metallic minerals and atomic substances), category 3 (construction minerals) and category 5 (industrial minerals, precious stones and semi-precious stones) minerals on 22 November 2005. In 2007, rights in respect of category 5 minerals were rescinded due to overlapping tenure with a previously granted special exploration licence 22/1999. SEL22/1999 expires on 8 September 2010. It is the Company's present intention to apply for category 5 mineral rights on the Tenement upon expiry of SEL22/1999 to regain the rights to gemstone exploration. There can be no guarantee that such an application, if made, will be granted.

#### **4.11 Investment Speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially effect the financial performance of the Company and the value of the Shares offered under this Prospectus. Potential investors should consider that an investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

**Section five**  
**INDEPENDENT GEOLOGIST'S REPORT**

**Luksam Consultants**

(Queensland Business Number 4976058)  
Consulting to the Mining Industry  
Matthew Stephens – Mineral Industry Consultant

**Email [matthewstephens5@bigpond.com](mailto:matthewstephens5@bigpond.com)**  
**Postal Address P O Box 2486, Toowoomba, Qld, 4350**

The Board of Directors  
Kintore Resources Limited  
Level 2, 79 Hay Street  
Subiaco WA 6008

Dear Directors

**RE: INDEPENDENT GEOLOGIST'S REPORT FOR KINTORE RESOURCES ON EXPLORATION LICENCE 65/2004 SITUATED IN NE TASMANIA.**

The Directors of Kintore Resources ("Kintore") commissioned the author to prepare an Independent Geologist's Report on the EL 65/2004 (the "Tenement") in North East Tasmania.

This Report has been prepared at the request of the Directors for inclusion in a Prospectus ("the Prospectus") of Kintore, an initial public offering ("IPO") to be dated on or about 17 October 2008. Through the Prospectus, Kintore intends to raise up to \$5.0 million by issuing up to 25 million, 20-cent fully paid ordinary shares.

The author has over 24 years experience in the minerals industry and is affiliated with The Australasian Institute of Mining and Metallurgy as a Member since 1990. The author specialises in mineral resource/reserve estimations, advanced project assessment and mine management.

The exploration project in which Kintore has the right to acquire a 100% interest is situated in North East Tasmania contains well established targets principally for tin. There are also opportunities to explore for precious gem stones and industrial minerals within the tenement holding.

Kintore supplied the author with exploration information which Kintore warrants is accurate and complete. The author visited the project area in October 2007.

The author has at his own discretion relied on the observations and interpretations of previous explorers, exploration consultants and Kintore geological staff. Independent checking at other organisations which may have been previously involved in exploration and mining activities in the area of the Tenement was not carried out. Kintore has indemnified the author for liability arising from reliance on information provided or from available information not provided and for any further activities relating to enquiries from the Australian Stock Exchange and the Australian Securities and Investment Commission ("ASIC") with regard to the Report.

The views and conclusions expressed in this Report are solely those of the author. Generally these views concur with the views of Kintore.

An appraisal of all the abovementioned information forms the basis of this Report.

All references to mineral resources are consistent with the most recent Australasian Code (and Guidelines to the Code) for Reporting of Identified Mineral Resources and Ore Reserves: Reports prepared by the Joint Committee of The Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia (JORC).

In this Report, the author observes the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports (The Valmin Code), which is referred to by the Australian Securities Investment Commission ("ASIC") and as well, ASIC Practice Notes 43 and former National Companies Security Commission Release 149 are observed.

The author observes Section 947B of the Corporations Act 2001. In accordance with Corporations Regulation 7.6.01 (1) (u) and Corporations Amendment Regulations 2003 (No. 7) 2003 No. 202, the independent report is not financial product advice but is intended to provide investors with expert opinion on matters relevant to an investment in Kintore.

The author is not operating under an Australian financial services licence and the advice in the independent report is an opinion on matters other than financial products and does not include advice on a financial product.

## 1 Introduction

This report is focussed on Exploration Licence 65/2004, the Derby Deep Lead Tin Project, in the north east of Tasmania. The Tenement covers an area with significant past production of alluvial tin in Tertiary leads. The Tenement is centred on the township of Derby, located approximately 110km NE by road from the City of Launceston in Tasmania (Figures 1 and 2).



Figure 1 - Project Location - Derby Tin Project

The area is well serviced with roads, towns, water, electricity and a local work force. Most of the area is covered by private farming lands. The Tenement lies on the Pioneer, Derby and Ringarooma 1:25 000 geological map sheets.

The tenement details are:

Tenement No.	Title	Beneficial Holder	Area, km <sup>2</sup>	Date of grant	Annual exploration Commitment A\$
EL65/2004	Derby	Arcadia Resources Limited	100	22 Nov 2005 for 5 years	50 000 in year three

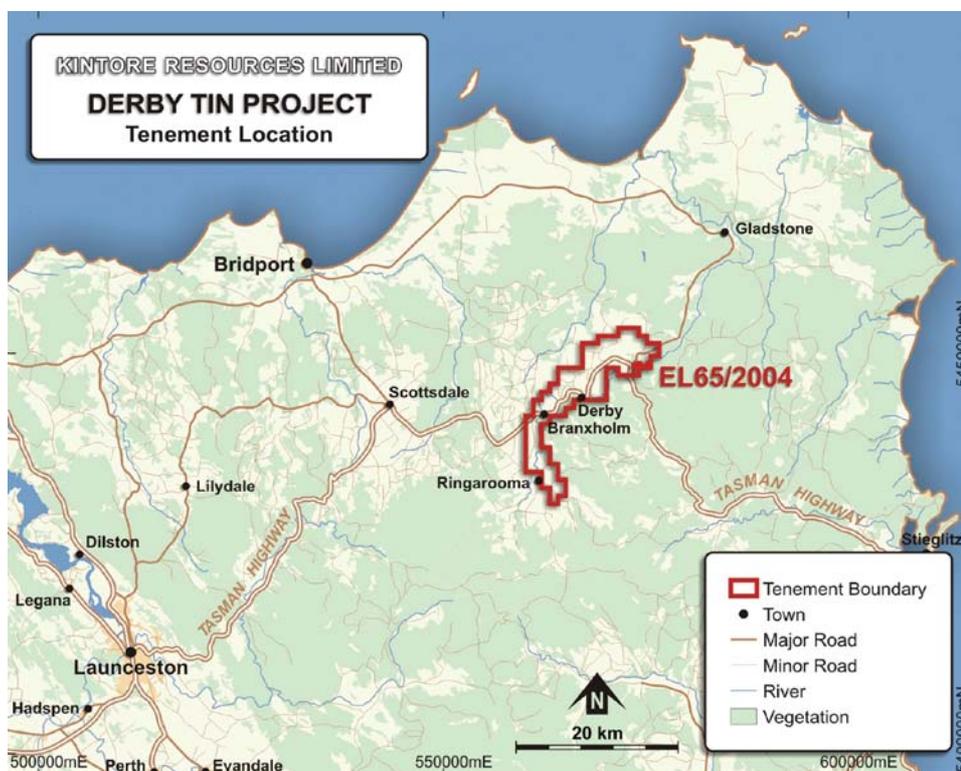


Figure 2 – Tenement Location – North East Tasmania

## 2 Tin in North Eastern Tasmania

Tin was discovered in north eastern Tasmania in the 1870's, with finds by Benjamin Brooks near Mount Maurice and George Renison Bell in the Boobyalla River catchment. This led to further prospecting of the region's waterways and the identification of the majority of the exposed major tin deposits, such as the Briseis mine (Cascade Lead) at Derby and the Pioneer Lead.

Development of the mineral fields progressed rapidly with a number of mines operating in the early 1900's, including Briseis (Cascade Lead), Pioneer, Endurance, Valley and Arba. Most mining was by hydraulic sluicing, although some dredges were used. Production peaked in the early to mid 1900's but continued at a reduced level until 1982 when the remaining large mines closed. Recorded production from alluvial deposits in north eastern Tasmania is about 37,300 tonnes of tin metal, with some 23,522 tonnes of this sourced from the Tenement (see Table 1).

**Table 1 Alluvial Tin Production – North Eastern Tasmania**

<b>Lead</b>	<b>Main Mine</b>	<b>Production Period</b>	<b>Tin Metal (tonnes)</b>	<b>Length of Lead Extracted (m)</b>	<b>Approx tonnes of Tin per 300m Length of Lead</b>
<i>Mt Joseph</i>	<i>Ruby Flat</i>	ca 1875-	?		
<i>Branxholm</i>	<i>Arba</i>	-1960	2,180	1,200	500
<i>Valley</i>	<i>Valley</i>	-1945	370	600	180
<i>Cascade</i>	<i>Briseis</i>	1876-1960	20,787	3,000	2,000
<i>Main</i>	<i>Sarah Anne/ Mutual</i>	1882-1918	?		
<i>Weld – Frome</i>	<i>Echo</i>	1901-1922	185		
<i>OK</i>	<i>Herrick</i>	1881-	?		
<i>Wyniford</i>	<i>Pioneer</i>	-1982	9,180	1,900	1,500
<i>Clifton</i>	<i>Endurance</i>	-1968	2,630	1,900	400
	<i>Monarch</i>	-1973	250		
<i>Ringarooma River</i>	<i>Dorset</i>	1944-1971	1,691		
<b>TOTAL</b>			<b>37,273</b>		

## Notes

- 1 Italicised deposit names are within EL65/2004.
- 2 The figures come from several different sources.

Assessments of the alluvial tin potential of north eastern Tasmania have been carried out by the Utah Development Company (in the 1960's), Australian Anglo American Ltd, Buka Minerals NL and Triako Mines NL (in the early to mid 1980's), Mineral Holdings Aust. Pty Ltd (in the mid 1980's) and Santos Ltd and Hellyer Mining (in the mid to late 1980's).

In more recent times AIM listed company Van Dieman Mines PLC have been progressing toward the resumption of production at the Scotia and Endurance Deep Lead tin deposits, which are located to the north of the Tenement.

### 3 Regional Geology and Mineralisation

The geology of the region in the immediate area of the Tenement is dominated by Devonian to Carboniferous granites of the Blue Tier Batholith to the east and the Ordovician to Devonian Mathinna Bed sediments to the west. The granites and sediments are variably overlain by basalts, with two periods of basaltic volcanism occurring; one in the Middle Eocene and the other in the Middle Miocene. Cainozoic sediments occur in the central Ringarooma Valley area, variably overlain by basalts of the Middle Miocene volcanism period. The Cainozoic sediments have a maximum thickness of 123m while the Middle Miocene basalts attain a maximum thickness of about 100m.

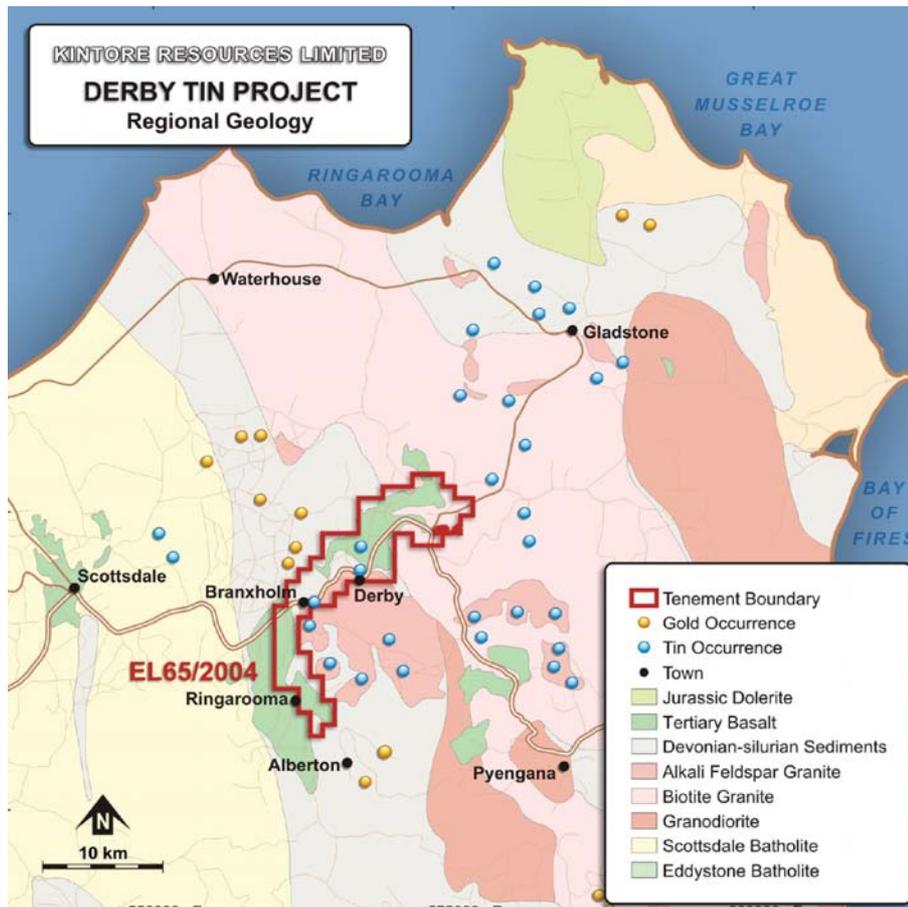


Figure 3 – Regional Geology – North East Tasmania

Tin occurs as cassiterite within placer deposits associated with deeply buried high-energy alluvial channels (deep leads) in the Cainozoic sediments stretching from near Branhholm in the south to Ringarooma Bay. The tin was sourced from the repeated erosion and “unroofing” of the tin bearing granites of the Blue Tier Batholith, with the heavy mineral (cassiterite) concentrations formed through episodic reworking dating back to at least the Permian.

During this period the drainages from the Blue Tier Batholith, including Black Creek, Cascade River, Main Creek, Weld River and the Wyniford River, were generally north west flowing and carried large amounts of tin bearing alluvium. The ancestral Ringarooma River, which captured these drainages, formed as a result of the Middle Eocene basaltic volcanism filling existing drainages and forcing the river system southwards.

The second period of basaltic volcanism in the Middle Miocene is believed to have filled many of the existing drainage channels, including the ancestral Ringarooma River, causing the diversion of the river to its current position. The pre-existing alluvial deposits were buried and represent deep leads under this younger basalt, as seen at the Briseis mine (Cascade Lead). The current Ringarooma River valley has exposed some of the deep leads under the basalt and Recent alluvial sediments, such as the Arba, Valley and Briseis mines.

Deep lead (heavy mineral) deposits in north eastern Tasmania have also been known to contain accessory minerals with the cassiterite, with potentially viable economic quantities when mined as a by product. The main accessory minerals identified are:

- a **Sapphire** has regularly been reported as a component of the tin bearing alluvial gravels in north east Tasmania and was often recovered from tin shed concentrates at such operations as the Briseis, Pioneer, and Endurance Mines. Recent broad based testing indicates that ore grade tin bearing gravels usually contain sapphire grades of 1 to 3 g/bcm (grams/bank cubic metre), of which about 20% are of gem quality.
- b **Zircon** has been recognised in the alluvial deposits, with fine zircon grains (<5 mm) commonly observed in the cassiterite concentrates. In addition two generations of coarse zircon (ranges from 1 mm to >10 mm) have been observed, with colour ranging from pale red to bright foxy red.
- c **Rutile** occurs in most of the alluvial deposits, rarely greater than 1 mm in size and reportedly at grades between 4 and 140 g/bcm.
- d **Ilmenite** is the most abundant of the titanium bearing minerals, based on field observations, however most of the ilmenite has traditionally been lost to tailings.
- e **Gold** has traditionally been recovered as a by-product of all the alluvial tin operations and is a regular component of the heavy mineral suite. Gold grades have been reported to average around 30 mg/bcm.
- f **Topaz** has regularly been recovered throughout the project area and is of gem quality, some of considerable size and excellent blue colour.
- g **Sand/Gravel** there is also a potential market for clean sand and gravel which would be a by product of the mining of tin.

#### 4 Past Production and Exploration - Derby Deep Lead Tin Project

Recorded production from alluvial deposits within the Tenement is about 23,522 tonnes of tin metal, which is equivalent to 63% of tin production from alluvial deposits in north eastern Tasmania. The largest single contributor was the Briseis mine (Cascade Lead) with production of some 20,787 tonnes of tin metal.

##### The Briseis Mine, Cascade Lead

Tin was discovered in the Cascade Lead in 1875 and the deposit was worked until 1960 producing some 20,787 tonnes of tin, with two main production periods being 1876 to 1929 (17,216 tonnes of tin) and 1937 to 1947 (2,782 tonnes of tin). Based on historic production records the average grade of the alluvium mined has been estimated as about 1.7 lb/cu yd (approx. 1.0 kg/m<sup>3</sup>) of cassiterite (i.e. 70% tin). A large fall of overburden occurred in 1946 which curtailed further development along the Lead, with subsequent production coming from shallow alluvium along the old river bed.

The Lead is contained within alluvium that is up to 300 ft (approx. 90m) thick and is covered by basalt of up to 150 ft (approx. 45m) in thickness. Historical records show that 50% of the cassiterite occurs within 30 ft (approx. 9m) of the bottom of the Lead and reportedly includes bonanza grades of up to 78 lb/cu yd (approx. 46 kg/m<sup>3</sup>) over 5 ft (1.5m) of the basal interval. The base of the Lead is up to 150 ft (approx. 45m) below the present Ringarooma River.

The north western extension of the Cascade Lead was drilled over a 500m strike length (6 lines about 100m apart) in the period 1939 – 1941, with holes drilled at approximately 30m intervals along the lines. This drilling has identified tin mineralised alluvium over a 300m strike length from the final working face (Lines 4 to 7), with better results of 54m at 2.28 kg/m<sup>3</sup> from 50m down hole (Line 4 – Hole No 9) and 56m at 1.29 kg/m<sup>3</sup> from 53m down hole (Line 6 – Hole No 9). A summary of results is shown in Table 2.

**Table 2 Briseis Mine, Cascade Lead**

	Hole No	Interval (m)	Grade (kg/m <sup>3</sup> )	Depth From (m)
Line 4	7	46	0.57	13
	8	55	0.88	27
	9	54	2.28	50
	10	54	1.60	51
	11	54.5	0.94	58
	12	50	0.66	59
Line 5	5	51	0.17	14
	6	52	0.24	27
	7	37	1.28	62
	8	42	1.02	65
	9	39	0.63	72
	10	57	0.61	61
	11	23	1.54	98
Line 6	6	50	0.19	12
	7	46	0.81	37
	8	52	0.34	49
	9	56	1.29	53
	10	48	0.42	67
	11	53	0.56	66
Line 7	9	54	0.18	67
	10	54	0.46	73
	11	55	0.30	75
	12	81	0.05	51

N.B intersection widths, down hole depths and grades converted to metric. Results for cassiterite content, i.e. of 70% tin.

As shown in Figure 4 the drilling has not closed off the Lead on the eastern flank or to the north, although the northern most drill line (Line 7) has shown a general decrease in grade and an apparent narrowing of the Lead. No known drilling has occurred to the north of Line 7.

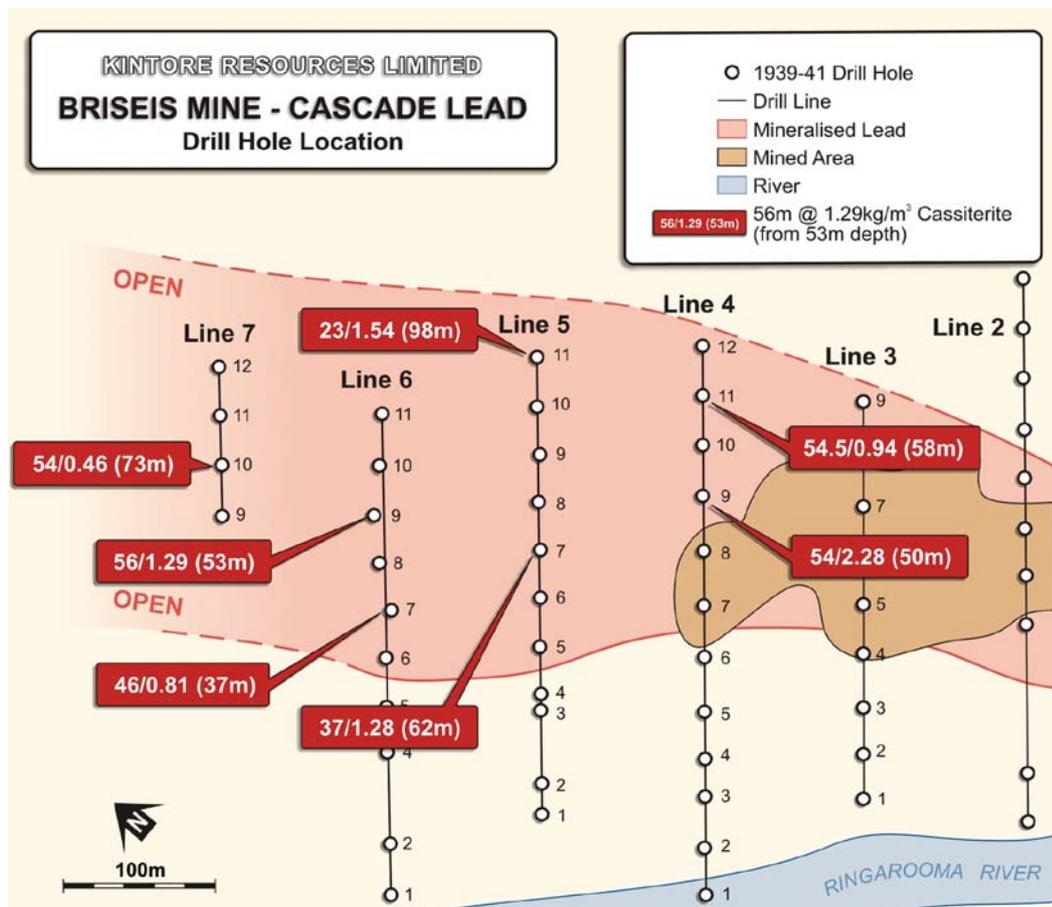


Figure 4 – Briseis Mine – Cascade Lead – Drill Hole Location Plan

### The Arba Mine, Branxholm Lead

The Branxholm Lead was discovered in 1876 and the deposit was mined until 1920, with only minor works carried out by tributors after that time. Historic records indicate production of some 1,380 tonnes of tin up until 1923, although records prior to 1903 are limited and it is believed that production may have been higher than that recorded for this period. No production figures are available from tributors operations post 1923. The reported average grade of the alluvium mined from 1903 was about 0.93 lb/cu yd (approx. 0.55 kg/m<sup>3</sup>) of cassiterite (i.e. 70% tin).

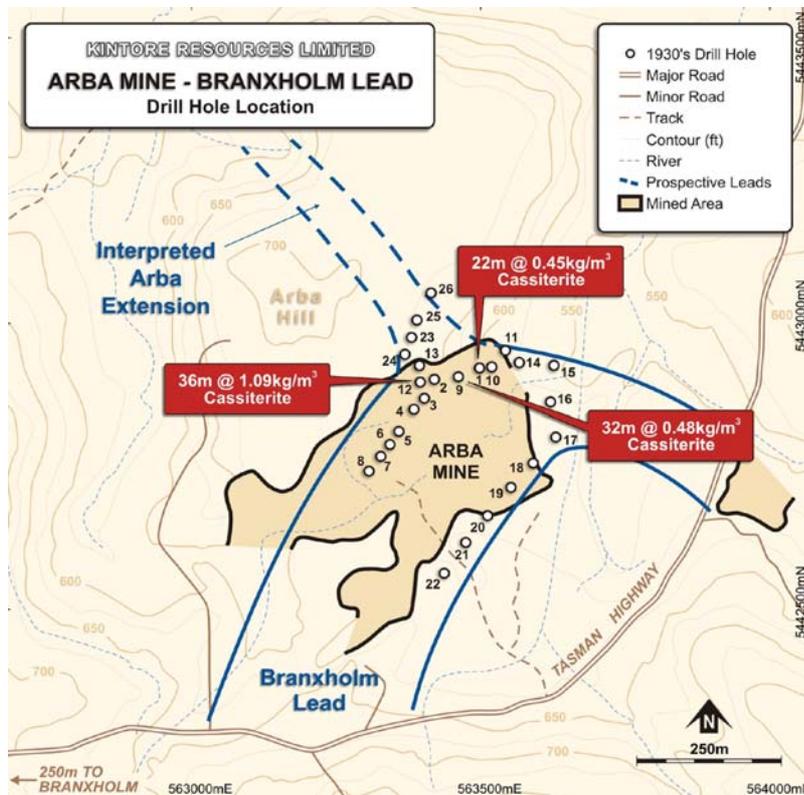
Mining ceased when the Lead extended beneath Arba Hill and the height of the working face became unmanageable. The Lead is contained within alluvium that is up to 147 ft (approx. 45m) thick and the thickness of basalt overburden at the working face is about 50 ft (approx. 15m). It is reported that the lower 30 ft (approx. 9m) of the Lead was not mined in the area adjacent to the final working face due to insufficient capacity of the mining plant. The majority of production was sourced from the southern side of Arba Hill, with only minor production from the northern side.

Limited drilling to test the Lead adjacent to the working face and ahead of the Lead, i.e. from the hill above the Lead, was completed in the late 1930's. Records of this drilling are limited to average grade for the length of each hole with no account taken of depth or grade of barren material above the mineralised Lead. Available results are detailed in Table 3, with hole locations shown on Figure 5.

**Table 3 Arba Mine, Briseis Lead**

Hole No	Interval (m)	Grade (kg/m3)
1	22	0.45
2	38	0.33
3	30	0.36
4	22	0.25
5	21	0.33
6	21	0.17
7	9	0.14
8	9	0.26
9	32	0.48
10	18	0.32
11	20	0.18
12	36	1.09
23	73	0.26
24	73	0.27
25	75	0.27
26	64	0.15

N.B hole depths and grades converted to metric. Results for cassiterite content, i.e. of 70% tin. Hole 13 abandoned. No results available for holes 14 – 22.



**Figure 5 - Arba Mine - Briseis Lead - Drill Hole Location Plan**

There have also been a number of phases of drilling to the north of Arba Hill on the river flats south of the present Ringarooma River testing the downstream extension of the Branxholm Lead. These drilling phases consisted of:

- two phases of shallow drilling in the 1930's by the Tasmanian Department of Mines,
- one program by Briseis Consolidated N.L. in 1938,
- a limited program in 1965 by the Utah Development Company, and
- follow up drilling in the early 1980's by Australian Anglo American Limited.

This drilling has not definitively identified the Lead to the north of Arba Hill although it did return a number of anomalous zones related to both basal zones within the alluvium and shallow shingle layers.

### **The Briseis Central Mine, Valley Lead**

The Valley Lead was discovered in the early 1880's and was worked intermittently until 1962, with the majority of production occurring between 1904 and 1910. Recorded production is estimated to be some 370 tonnes of tin at an average mined grade of 1.20 lb/cu yd (approx. 0.71 kg/m<sup>3</sup>) of cassiterite (i.e. 70% tin). The Lead ranges from being exposed in the south east to a depth of over 30m toward the north west, although the maximum mining depth was only about 15m.

Drilling within the mine environs and to test the immediate north west extension of the Lead took place in the early 1900's. More recent exploration activity focused on the north west extension of the Lead on the northern side of the present Ringarooma River, with Amdex Mining Limited completing two holes in 1979. These holes failed to intersect any significant concentrations of tin mineralisation.

### **Sarah Ann / Mutual Hill Mines, Main Lead**

A number of modest mines were developed on the Main Lead in the 1880's, the larger being Sarah Ann and Mutual Hill located along the banks of the Main Creek on the south east side of the present Ringarooma River, which were mined until 1918. Smaller mines were developed on the western side of the present Ringarooma River on the north western extension of the Main Lead. No reliable production records have been located for this series of deposits.

There is no record of exploration activities completed along the interpreted north western extension of the Main Lead.

### **Echo Mine, Echo Lead / Weld River Lead**

Mining activity commenced on the Echo Lead in the late 1870's and progressed to the combined Echo and Weld River Leads in 1901, with both being mined up until 1922. Production for this period has been estimated to be some 185 tonnes of tin. Mining reportedly ceased due to increasing depths of overburden. The Leads are located on the northern side of the present Ringarooma River and are interpreted to extend to the north west.

In 1930 the Tasmanian Department of Mines completed 13 holes immediately to the north of the final mining face of the Echo Mine. This drilling indicated that previous mining had exploited a "perched" mineralised zone and defined a new basal mineralised zone, albeit at generally low tin grades. Australian Anglo American Limited conducted a drilling program in 1981 along the line of Davids Creek, located about 2.0km north of the Echo Mine, aimed at identifying the interpreted extension of the Echo Lead in an area of shallower overburden. Drilling complexities limited the effectiveness of this program, with only 9 of 18 planned holes completed and of these only one hole reached basement.

## 5 Exploration Model and Targets

Previous explorers have interpreted the position of the extensions of mineralised palaeochannels based on the position, extent and trend of known deposits using all available information, but without the benefit of modern exploration tools. The project vendors, Askins and Stewart, have used Landsat imagery and digital elevation models (DEM) in conjunction with detailed review of past literature and previous explorers work to develop a revised interpretation of the history of drainages, palaeochannels and leads for the project area. This interpretation is very important in defining and prioritising exploration targets.

The DEM images provide a good overview of the dominant fracture pattern controlling the drainages, highlighting that the drainages coming from the Blue Tier Batholith, which source the alluvial cassiterite, have a pronounced west north west trend. When projected under the basalt these trends give a better indication of where to expect the course of leads than were used in the past.

The revised interpretation has similarities and important differences to some past reconstructions; however the overall pattern of drainages is similar to that proposed by Nye in 1925. This pattern of drainages has several leads draining west from the Batholith towards an ancestral Ringarooma River beneath the dominant basalt terrain (younger Miocene basalt).

One of the compelling reasons there must have been a drainage system trending that way is that there needs to be a source of the alluvial tin at Boobyalla, Banca and at other known occurrences well away from known or credible bedrock sources. That ancient drainage has been interpreted to be pre Middle Eocene, so the basalts in that area must be older basalt.

North and north east of the Tenement the drainage history is even more complicated, with the combined effects of river capture and marine incursions. The overall drainage system is designed to honour where old valleys must have occurred based on the position of mapped basalts and Tertiary sub-basaltic (interpreted) sediments.

Conflicts with drainages apparently going over ridges and uphill seem to have forced some previous interpretations to require internal basins and drainage systems going the wrong way. This is because there has been considerable tectonic adjustment during the Tertiary as one would expect with the basaltic activity of the region. Sedimentological studies offshore also support tectonism. Using an assumption that the older basalts occupy old valleys also emphasizes the tectonic adjustments and amount of erosion that have taken place since the Middle Eocene.

The revised interpretation requires that the drainage system from the Tenement exited to the coast via Boobyalla and that the major drainage through the Pioneer Lead (located to the north of the project area) trends west south west into the Tenement, not west north west as previously interpreted.

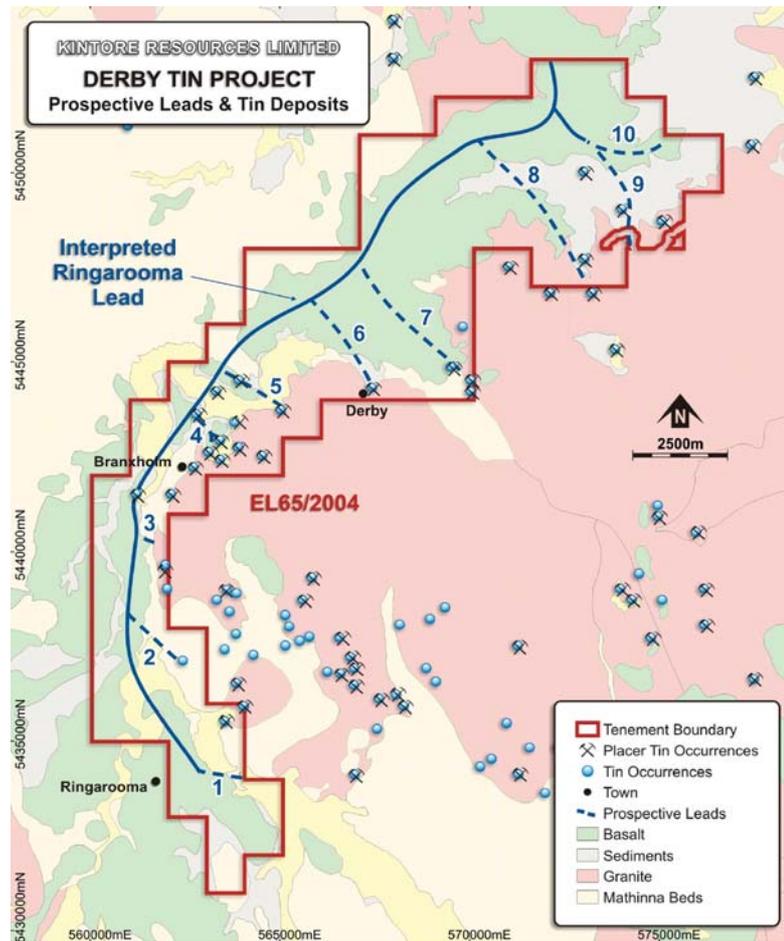


Figure 6 – Interpreted lead positions (Askins & Stewart, 2007).

Figure 6 shows the interpreted position of leads within the project area which were tributaries of the ancestral Ringarooma River, believed to have been located to the west of the current Ringarooma River. This position of the ancestral Ringarooma River is supported by the presence of known deep leads that “cross” the path of the current Ringarooma River, such as the Valley and Cascade Leads.

Primary exploration targets within the project area are the upper reaches of the palaeochannels that drain from the Blue Tier Batholith, most of which are defined by historic mining activities. These targets are labelled from 1 to 10 on the above figure:

- Target 1 – Unnamed Lead
- Target 2 – Unnamed Lead
- Target 3 – Mt Joseph Lead
- Target 4 – Brankholm Lead
- Target 5 – Valley Lead
- Target 6 – Cascade Lead
- Target 7 – Main Lead
- Target 8 – Echo / Weld River Lead
- Target 9 – OK Creek Lead
- Target 10 – Unnamed Lead

The author has reviewed the 10 target areas by field checking their locations via GPS and considering their viability as potential palaeochannel sites and more or less agrees with this priority list.

The next level of exploration target is the north west extension of each of these Leads under basalt cover, as interpreted through the updated model, and ultimately the ancestral Ringarooma River. A recent trial of geophysical ground survey techniques within the project area has highlighted electro magnetics (EM) as a viable technique to “map” these palaeochannels beneath the basalt cover. Single EM traverses were completed across some of the target areas, with the technique clearly mapping a palaeochannel beneath the Arba Hill.

## **6 Exploration Program and Budget**

Exploration in the first year is proposed to consist of data compilation across the project area which will lead to ground truthing and field mapping of the identified target areas, with initial focus on areas of previous mining. In conjunction with this field mapping phase it is proposed to complete surface sampling of target areas with exposed lead, such as the Branxholm Lead within the Arba Mine environs and potentially areas of the Main Lead.

In parallel with this field activity it is proposed to complete a heliborne electro magnetic (EM) survey of the entire project area to attempt to “map” the interpreted extensions of palaeochannels and the ancestral Ringarooma River beneath the basalt cover.

Aircore and RC drilling proposed for the second half of the first year will focus on confirming the extension of leads which were defined by the activities of earlier explorers, such as the Cascade Lead at the Briseis Mine and the Branxholm Lead within the Arba Mine environs. A portion of this drilling will also be used to test palaeochannel targets identified through the EM survey.

The focus in the second year may be on further drill testing of the palaeochannel targets identified through the EM survey plus RC drilling of the extensions of known Leads and any newly identified mineralised zones. Success in this phase may lead to resource and reserve estimation and subsequent optimisation / pre feasibility studies on defined resources. It is proposed that there may also be infill EM completed in the second year.

**Table 4: Proposed Exploration Expenditure - Full Subscription**

<b>Derby Deep Lead Tin Project</b>	<b>Year 1</b>	<b>Year 2</b>	<b>TOTAL</b>
Data Acquisition and Land Management	45,000	25,000	70,000
Geological Mapping	55,000	75,000	130,000
Surface Sampling and Prospecting	65,000	55,000	120,000
Geophysics	280,000	70,000	350,000
RAB/AC Drilling	80,000	165,000	245,000
RC Drilling	245,000	470,000	715,000
Assays	220,000	380,000	600,000
Mining Studies	30,000	345,000	375,000
<b>TOTAL</b>	<b>1,020,000</b>	<b>1,585,000</b>	<b>2,605,000</b>

The table above details the work programs proposed for the Derby Deep Lead Tin Project with a level of expenditure which is considered to be reasonable and warranted based on the prospectivity of the area. These work programs are conceptual in nature and will depend on success to move from one stage to the next. Flexibility in changing the program will be needed as results are received.

In the event that the Company raises the minimum subscription amount it will modify its exploration activities and reduce its expenditure as detailed in the table below. These expenditures are also considered to be reasonable and warranted based on the prospectivity of the area and remain in excess of the statutory expenditure commitments imposed by the Tasmanian Department of Mineral Resources.

**Table 5: Proposed Exploration Expenditure - Minimum Subscription**

<b>Derby Deep Lead Tin Project</b>	<b>Year 1</b>	<b>Year 2</b>	<b>TOTAL</b>
Data Acquisition and Land Management	30,000	20,000	50,000
Geological Mapping	45,000	65,000	110,000
Surface Sampling and Prospecting	55,000	45,000	100,000
Geophysics	280,000	70,000	350,000
RAB/AC Drilling	80,000	145,000	225,000
RC Drilling	205,000	430,000	635,000
Assays	185,000	340,000	525,000
Mining Studies	30,000	345,000	375,000
<b>TOTAL</b>	<b>910,000</b>	<b>1,460,000</b>	<b>2,370,000</b>

## 7 Conclusions and Opinion

There seems to be ample historical evidence, coupled with more recent interpretations, to suggest that the tenement area has significant potential for additional resources. The current high tin price and the possible markets for accessory minerals such as sapphires makes the project just as attractive today than at any point in its history since mining began in the region.

With the commencement of new mining operations by Van Dieman Mines immediately to the north of this project area, there will soon be available more recent data which can be compared back to the historical data. From these comparisons, the entire region could theoretically be reassessed as to its viability for supporting other, independent operations.

## 8 Glossary of Technical Terms

Terms not included in this glossary are used in accordance with their definition in the Concise Oxford Dictionary. The author has selected the following terms as being the most important.

**Alluvial** an accumulation of mud (clay), sand and gravel (boulders) that have been carried and deposited by flowing water courses.

**Batholith** a large emplacement of igneous intrusive rock that forms from cooled magma deep down in the Earth's crust.

**Cambrian** a time period approximately 505 to 540 million years ago.

**Carboniferous** a time period, approximately 360 to 290 million years ago.

**Cassiterite** an oxide of Tin usually found as a brown or black translucent mineral; formula SnO<sub>2</sub>

**Cretaceous** a time period approximately 140 to 70 million years ago.

**DEM** digital elevation model – a 3D image used for relating topographical features.

**Diamond drilling** rotary drilling using diamond-impregnated bits, to produce a solid continuous core sample of rock.

**Dipole-Dipole** a method of completing an IP survey.

**Devonian** the period of time between 360 and 408 million years ago.

**EL** exploration licence i.e. an area granted to a mining company for a number of years for investigation.

**EM survey** an electromagnetic geophysical exploration technique based on measuring magnetic fields from currents usually artificially induced into the ground.

**Induced Polarisation (IP) and resistivity** a geophysical exploration method which measures changes in magnetic and electrical fields induced in the earth by the application of an electrical current to the ground. Resistivity is the inverse of conductivity.

**Intrusion** the process of formation of a rock mass emplaced within surrounding rock

**Intrusive** a rock mass emplaced within surrounding rock, usually a plutonic rock formed by intrusion of molten magma into a high level, below the surface, of the Earth's crust where it cooled and crystallised to form a solid rock.

**Intrusive/intrusion related mineralisation** mineralisation associated with intrusives. In this report a gold dominant style of mineralisation which may or may not be related to porphyry style mineralisation.

**Lead** alluvial miners' name for an alluvial deposit or placer.

**Mesozoic** An era of geologic time, from the end of the Paleozoic to the beginning of the Cenozoic, or from about 225 to about 65 million years ago.

**Miocene** a period of geological time during the Tertiary period, around 14 million years ago.

**Meta** a prefix denoting a metamorphosed rock.

**Ordovician** a time period approximately 433 million to 505 million years ago.

**Permian** a time period, approximately 290 million to 250 million years ago.

**Placer** an alluvial or glacial deposit.

**Terrane** a rock or group of rocks together occurring as a discrete structural block.

**Tertiary** first period of the Cenozoic era covering the time span from 2 to 65 million years ago.

**Triassic** a time period, approximately 250 million to 210 million years ago.

## 9 Sources of Information

The following literature has been selected from numerous reports and publications and is considered to be the most relevant.

Askins, P.W. and Stewart, J. I., 2007 – “Report on Prospectivity of EL 65/2004 Derby Deep Leads Tin Project, Tasmania”. Unpublished Report.

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Rattigan, J.H., 1957 – “Notes on Edwards’ Arba Proposition”. Rio Tinto Exploration Pty Limited.

Scott, J.B., 1930 – “Results of Boring – Echo Lead – New Moorina Mine, Moorina”. Tasmanian Mines Department, Unpublished Report.

Warin, O.N. and Appleby, W.R., 1964 – “Tin Resources of North Eastern Tasmania and Proposed Drilling Programme”. Utah Development Company.

Yim, W.W.S., 1991. – “Tin Placer Genesis in North Eastern Tasmania”. In: Williams, M.A.J., De Deckker, P., Kershaw, A.P. eds., “The Cainozoic in Australia: A Reappraisal of the Evidence, Special Publication No. 18”. Geological Society of Australia Incorporated.

## 10 Consents

The author hereby consents to the inclusion of his Independent Report in the Prospectus referred to above, in both electronic and paper form, in the form and context in which it appears. As at the date of the Independent Report set out above, the author has not withdrawn its consent.

The author was only commissioned to prepare the report and has only authorised issue of this Independent Report on Kintore's exploration tenement specified in the Independent Report. It has not been involved in the preparation of, or authorised issue of, any other part of the Prospectus in which this Independent Report is included.

**Matthew Francis Stephens**



## Section six INVESTIGATING ACCOUNTANT'S REPORT

14 October 2008

The Directors  
Kintore Resources Limited  
Level 2  
79 Hay Street  
SUBIACO WA 6008

Dear Sirs

### Investigating Accountant's Report – Kintore Resources Limited

#### Introduction

This report has been prepared at the request of the Directors of Kintore Resources Limited ("Kintore" or "the Company"), for inclusion in a prospectus to be lodged with the Australian Securities and Investment Commission ("ASIC") on or around 17 October 2008 ("Prospectus"), relating to the proposed issue of 25,000,000 ordinary shares at an issue price of 20 cents each to raise a total of \$5,000,000.

The offer is not underwritten and the minimum subscription level is \$3,500,000.

#### Basis of Preparation

The report has been prepared to provide investors with information on historical results and the financial position of Kintore, and to provide investors with a pro forma balance sheet of Kintore as at 30 September 2008 adjusted to include funds raised by this Prospectus and the completion of exploration interest acquisitions and other transactions as referred to in Note 2 of Appendix 2.

This Report does not address the rights attaching to the Shares to be issued in accordance with the Prospectus, the risks associated with the investment, nor form the basis of an Expert's opinion with respect to a valuation of the Company or a valuation of the Share issue price of 20 cents per share.

Bentleys has not been requested to consider the prospects for Kintore nor the merits and risks associated with becoming a shareholder and accordingly, has not done so, nor purports to do so. Bentleys accordingly takes no responsibility for those matters or for any matter or omission in the Prospectus, other than responsibility for this report.



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## Background

Kintore was incorporated on 4 December 2007 as a limited company.

From the date of incorporation to 30 September 2008, 9,500,001 ordinary fully paid shares have been issued as follows:

- 1 ordinary fully paid share was issued on incorporation of the company at \$1.00 per share; and
- 9,500,000 ordinary fully paid shares were issued to seed investors at \$0.02 per share.

Kintore has entered into a Heads of Agreement with Arcadia Resources Limited ("Arcadia") for the acquisition of 100% of the issued capital of Arcadia subject to satisfactory due diligence. Arcadia holds the right to acquire a 100% interest in the Derby Tin Project in North East Tasmania. Refer to Section 8 of this prospectus for further details of the nature of this agreement. Since incorporation, the only other activities undertaken by the Company has been the preparation for the proposed ASX listing of Kintore.

## Scope of Report

Bentleys has been requested to:

- (a) report whether anything has come to our attention which would cause us to believe that the historical financial information disclosed in the appendices to this report is not fairly presented in accordance with generally accepted accounting principles as applied in Australia for reporting on financial information in a public offer document; and
- (b) report whether anything has come to our attention which would cause us to believe that the pro forma financial information disclosed in the appendices to this report is not properly drawn up in accordance with the basis of preparation and assumptions set out therein and with generally accepted practice as applied in Australia for presenting pro forma financial information in a public offer document.

Kintore has prepared, and is responsible for, the historical and pro forma financial information included in the appendices to this report.

## Scope of Review

Bentleys has not audited the financial statements of Kintore as at 30 September 2008. We have conducted our review of the historical financial information in accordance with Australian Auditing Standard ASRE 2410 "Review of an Interim Financial Report Performed by the Independent Auditor of the Entity". We made such enquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances, including:

- (i) enquiry of directors, management and others;
- (ii) review of contractual arrangements; and
- (iii) a review of work papers, accounting records and other documents.

The review procedures were substantially less in scope than an audit examination conducted in accordance with generally accepted auditing standards.

Having regard to the nature of the review, which provides less assurance than an audit, and to the nature of the historical and pro forma financial information, this report does not express an audit opinion on the historical and pro forma financial information included in the appendices to this report.

## Valuation of Exploration Interests

The principal assets of Kintore will be its exploration interests.

The exploration interests have been included at cost in the pro forma balance sheet. We have not performed our own valuation of the exploration interests. We are unable to form a view on whether the carrying values of the exploration interests are fairly stated.

## Opinions

### (a) Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that the historical financial information, as set out in the appendices of this report is not presented fairly in accordance with generally accepted accounting principles as applied in Australia for reporting on financial information in a public offer document.

### (b) Pro Forma Financial Information

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that the pro forma financial information, as set out in appendices of this report is not properly drawn up in accordance with the basis of preparation in appendices and assumptions set out to this report and generally accepted practice as applied in Australia for presenting pro forma financial information in a public offer document.

## Subsequent Events

To the best of Bentleys' knowledge and belief, there have been no material items, transactions or events subsequent to 30 September 2008 not otherwise disclosed in this report or its appendices that have come to our attention during the course of our review which would cause the information included in this report to be misleading.

## Independence

Bentleys does not have any interest in the outcome of the listing of the shares, other than in connection with the preparation of this report for which normal professional fees will be received. Bentleys were not involved in the preparation of any part of the Prospectus, and accordingly, make no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Prospectus. Bentleys consents to the inclusion of this report in the Prospectus in the form and content in which it is included. At the date of this report, this consent has not been withdrawn.

Yours faithfully



**BENTLEYS**  
Chartered Accountants



**CHRIS WATTS**  
Director

## Appendix 1 – Historical and Pro-Forma Financial Information

### Income Statement

	Kintore Reviewed Actual 30 September 2008 \$	Arcadia Reviewed Actual 30 September 2008 \$	Consolidated Reviewed Pro forma 30 September 2008 \$
Income	1,381	3,201	1,381
Employment expenses	(29,750)	-	(29,750)
Other expenses	(24,251)	-	(24,251)
Loss before income tax	(52,620)	3,201	(52,620)
Income tax expense	-	-	-
<b>Loss attributable to members of the company</b>	<b>(52,620)</b>	<b>3,201</b>	<b>(52,620)</b>

### Balance Sheet

	Note	Kintore Reviewed Actual 30 September 2008 \$	Arcadia Reviewed Actual 30 September 2008 \$	Consolidated Reviewed Pro forma 30 September 2008 \$
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	3	105,868	86,547	4,749,084
Trade and other receivables	4	6,297	11,187	17,484
<b>TOTAL CURRENT ASSETS</b>		<b>112,165</b>	<b>97,734</b>	<b>4,766,568</b>
<b>NON CURRENT ASSETS</b>				
Financial assets	5	-	-	-
Exploration expenditure	6	3,273	134,648	2,505,539
<b>TOTAL NON CURRENT ASSETS</b>		<b>3,273</b>	<b>134,648</b>	<b>2,505,539</b>
<b>TOTAL ASSETS</b>		<b>115,438</b>	<b>232,382</b>	<b>7,272,107</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	7	9,267	-	-
<b>TOTAL LIABILITIES</b>		<b>9,267</b>	<b>-</b>	<b>-</b>
<b>NET ASSETS</b>		<b>106,171</b>	<b>232,382</b>	<b>7,272,107</b>
<b>EQUITY</b>				
Issued capital	8	169,381	300,101	7,335,317
Accumulated losses	9	(63,210)	(67,719)	(63,210)
<b>TOTAL EQUITY</b>		<b>106,171</b>	<b>232,382</b>	<b>7,272,107</b>

## Appendix 2 – Notes to and Forming part of the Financial Statements

### 1 Summary of significant accounting policies

#### (a) Basis of Accounting

The financial statements have been prepared in accordance with the measurement and recognition (but not the disclosure) requirements of all Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS').

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

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

The financial information has been prepared on the basis of a going concern. The company's ability to continue as a going concern is contingent upon raising additional capital to fund future projects, other principal activities, and for use as working capital. If additional capital is not raised, the going concern basis may not be appropriate with the result that the company may have to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts different from those stated in the financial information. No allowance for such circumstances has been made in the financial information.

The balance sheet as at 30 September 2008 is in accordance with the Company's reviewed financial position at that date. The pro forma balance sheet at 30 September 2008 represents the reviewed financial position as at that date adjusted for the transactions discussed in Note 2 to this report. The balance sheet should be read in conjunction with the notes set out in this report.

#### (b) Cash and Cash Equivalents

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

#### (c) Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. The following specific recognition criteria must also be met before revenue is recognised:

- Interest income is recognised as it accrues.

#### **(d) Income Tax**

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

#### **(e) Acquisitions of Assets**

The purchase method of accounting is used to account for all acquisitions of assets (including business combinations) regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the value of the instruments is the published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Company's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the Company's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

## **(f) Impairment of Assets**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

## **(g) Exploration, Evaluation and Development Expenditure**

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- (i) such costs are expected to be recouped through successful development and exploitation or from sale of the area; or
- (ii) exploration and evaluation activities in the area have not, yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in, or relating to, the area are continuing.

Developments costs related to an area of interest are to be written off as incurred.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial period the decision is made.

## **(h) Trade Creditors**

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

## **(i) Issued Capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

## **(j) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on the purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of GST included.

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

The pro-forma financial information has been included for illustrative purposes to reflect the position of Kintore on the assumption that the following transactions had occurred as at 30 September 2008:

- The issue of 13,000,000 fully paid ordinary shares to acquire a 100% interest in Arcadia pursuant to the Heads of Agreement;
- Consolidation adjustment to acquire Arcadia with the excess of the cost of acquisition over the fair value of the identifiable net assets acquired being attributed to the exploration interest held by Arcadia;
- The issue of 25,000,000 ordinary shares at 20 cents each pursuant to the Prospectus to raise a gross \$5,000,000;
- The payment of expenses of the public issue totalling an estimated \$454,684 plus GST (of which \$20,620 has been paid/accrued up to 30 September 2008) and expensed against equity; and
- The payment of trade and other payables totalling \$9,267.

Note	Kintore Reviewed Actual 30 September 2008 \$	Arcadia Reviewed Actual 30 September 2008 \$	Consolidated Reviewed Pro forma 30 September 2008 \$
<b>3 Cash and cash equivalents</b>			
Cash at Bank – 30 September 2008	105,868	86,547	192,415
Issue of 25,000,000 shares pursuant to this prospectus	2(c) -	-	5,000,000
Prospectus issue costs	2(d) -	-	(434,064)
Payment of trade and other payables	2(e) -	-	(9,267)
	105,868	86,547	4,749,084

**Note:** The effect of undersubscription has not been accounted for. In the event that the Company's total raising falls between the minimum subscription of \$3,500,000 and the full issue of \$5,000,000, the pro-forma cash balance would be decreased to the extent of the shortfall (adjusted for any decrease in Prospectus issue costs arising from the shortfall).

## 4 Trade and other receivables

### CURRENT

Other receivables – 30 September 2008	1,148	83	1,231
GST receivable – 30 September 2008	5,149	11,104	16,253
	6,297	11,187	17,484

## 5 Financial assets

Financial assets – 31 July 2008	-	-	-
Issue of 13,000,000 shares pursuant to the Heads of Agreement to acquire Arcadia	2(a) -	-	2,600,000
Consolidation adjustment	2(b) -	-	(2,600,000)
	-	-	-

	Note	Kintore Reviewed Actual 30 September 2008 \$	Arcadia Reviewed Actual 30 September 2008 \$	Consolidated Reviewed Pro forma 30 September 2008 \$
<b>6 Exploration Expenditure</b>				
Exploration expenditure capitalised – 30 September 2008		3,273	134,648	137,921
Consolidation adjustment	2(b)	-	-	2,367,618
		3,273	134,648	2,505,539

## 7 Trade and other payables

Trade payables and accruals – 30 September 2008		9,267	-	9,267
Payment of trade and other payables	2(e)	-	-	(9,267)
		9,267	-	-

## 8. Issued capital

1 share on incorporation at \$1.00 each		1	-	1
5 shares on incorporation at \$0.20 each		-	1	1
9,500,000 shares at \$0.02 each		190,000	-	190,000
2,900,000 shares at \$0.10 each		-	290,000	290,000
10,100,000 shares at \$0.001 each		-	10,100	10,100
Issue of 13,000,000 shares pursuant to the Heads of Agreement to acquire Arcadia	2(a)	-	-	2,600,000
Consolidation adjustment	2(d)	-	-	(300,101)
Issue of 25,000,000 shares pursuant to this prospectus	2(c)	-	-	5,000,000
Prospectus issue costs	2(d)	(20,620)	-	(454,684)
		169,381	300,101	7,335,317

## 9. Options

The Company has issued Options to Directors being a total of 1.5 million Options exercisable at \$0.25 each on or before 30 June 2011 and 1.5 million Options exercisable at \$0.35 each on or before 30 June 2012.

The Company intends to issue a total of 250,000 Options exercisable at \$0.25 each on or before 30 June 2011 and 250,000 Options exercisable at \$0.35 each on or before 30 June 2012 to Mr Hugh Herbert who is a Proposed Director. This will occur subject to successful closure of the Offer but prior to listing.

The Company has entered into an agreement with DEA Trading Pty Ltd for the issue of 3,000,000 Options exercisable at \$0.40 on or before 31 December 2013 as consideration for the role of facilitating the acquisition of Arcadia, subject to ASX granting the Company conditional approval to list on ASX.

Note	Kintore Reviewed Actual 30 September 2008 \$	Arcadia Reviewed Actual 30 September 2008 \$	Consolidated Reviewed Pro forma 30 September 2008 \$
<b>10 Accumulated Losses</b>			
Accumulated losses – 30 September 2008	(63,210)	(67,719)	(63,210)
	(63,210)	(67,719)	(63,210)

## 11 Related Parties

Refer to Section 8 of this prospectus for details of related party transactions and shareholdings.

## 12 Commitments

### (a) Exploration

The Company will have minimum obligations pursuant to the terms and conditions of prospective tenement licences in the forthcoming year of \$50,000 for exploration commitments and \$4,224 for rental commitments. These obligations are capable of being varied from time to time, in order to maintain current rights of tenure to mining tenements.

### (b) Native Title

The Company's mining tenements may be subject to native title applications in the future. At this stage it is not possible to quantify the impact (if any) that native title may have on the operations of the Company.

## 13 Contingent Assets and Liabilities

At the date of our report, the Directors have not made any specific undertakings regarding any amounts which may become payable in the future. Further details and specific arrangements are contained in Section 8 of this Prospectus. In the opinion of the directors, other than the matters disclosed above, there were no material contingent liabilities or assets as at 30 September 2008 and in the interval between 30 September 2008 and the date of this report.

## 14 Subsequent Events

There have been no events subsequent to balance date not already disclosed or accounted for in the pro forma financial information which are sufficiently material to warrant disclosure.

## Section seven SOLICITOR'S REPORT ON TENEMENTS

17 October 2008

The Board of Directors  
Kintore Resources Limited  
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SUBIACO WA 6008

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Dear Sirs

### SOLICITOR'S REPORT ON TENEMENTS

This solicitor's report on tenements (**Report**) is prepared for inclusion in a prospectus to be issued by Kintore Resources Limited (**Company**) on or about 17 October 2008 for the issue of up to 25,000,000 shares in the capital of the Company at an issue price of 20 cents per share to raise up to \$5,000,000 (**Prospectus**).

#### 1 Scope

As at the date of this Report, the Company has entered into a share sale agreement with the shareholders of Arcadia Resources Limited (**Arcadia**) pursuant to which the Company will acquire all of the issued share capital of Arcadia (**Share Sale Agreement**). Arcadia holds the right to acquire a 100% legal and beneficial interest in one exploration licence in Tasmania (EL65/2004) pursuant to the terms of a tenement acquisition agreement as summarised in Part II of the Schedule (**Tenement Acquisition Agreement**).

We have been requested to report on the tenement in which Arcadia holds a beneficial interest (the **Tenement**).

Details of the Tenement are set out in Part I of the attached Schedule, which forms part of this Report.

## 2 Searches

For the purposes of this Report, we have conducted searches and made enquiries in respect of the Tenement as follows:

- (a) we have obtained searches of the Tenement from the registers maintained by Mineral Resources Tasmania of the Tasmanian Department of Infrastructure, Energy and Resources (**MRT**). These searches were conducted on 29 July 2008 and on 1 October 2008;
- (b) we have obtained searches of the National Native Title Tribunal (**NNTT**) databases in respect of any registered native title claims and native title determinations that apply to the Tenement. These searches were conducted on 18 August 2008;
- (c) we have relied on searches of Aboriginal heritage sites recorded within the Tenement conducted on 4 October 2007. The searches were conducted through the register maintained by the Aboriginal Heritage Office in the Tasmanian Department of Environment, Parks, Heritage and the Arts; and
- (d) we have reviewed all material agreements relating to the Tenement provided to us or registered as dealings against the Tenement as at the date of the MRT searches.

## 3 Opinion

We are satisfied, as a result of:

- (a) inquiries undertaken with MRT;
- (b) searches of the Tenement in the register maintained by MRT;
- (c) a review of copies of the relevant agreements, transfers, deeds and other contracts provided to us by the Company relating to the ownership of the relevant interests in the Tenement;
- (d) a review of the applicable mineral resources and native title legislation;
- (e) a review of searches conducted by the NNTT of native title claims lodged over land covered by the Tenement;
- (f) a review of search results provided in respect of Aboriginal heritage sites; and
- (g) inquiries made of the Company, its directors and various of its agents,

that, subject to the assumptions and qualifications set out in this Report and the Schedule, and to the rights, interests, encumbrances and obligations arising under the Tenement:

- (a) the details of the Tenement included in this Report are accurate as to the status of the Tenement and Arcadia's right to acquire an interest in the Tenement under the terms of the Tenement Acquisition Agreement;
- (b) upon completion of the Tenement Acquisition Agreement and the Share Sale Agreement, the Company will hold an interest in the Tenement through its wholly owned subsidiary Arcadia;
- (c) except as set out in this Report or the Schedule, the Tenement is not subject to any unusual conditions of a material nature; and
- (d) if the Tenement is not in good standing as far as the payment of rent or the incurring of expenditure is concerned, that fact is disclosed in Part I of the Schedule.

## **4 Tenement Details**

### **4.1 Tenement**

The Tenement was applied for by James Stewart and Paul Askins on 29 November 2004 in respect to category 1 (metallic minerals and atomic substances), category 3 (construction minerals) and category 5 (industrial minerals, precious stones and semi-precious stones) minerals. The Tenement was subsequently granted by MRT in respect to those categories of minerals on 22 November 2005.

In 2007 it became apparent that the Tenement overlapped parts of tenement SEL22/1999, an exploration licence granted in respect of category 5 minerals only. MRT subsequently advised the holders of the Tenement, James Stewart and Paul Askins, that rights in respect of category 5 minerals would be rescinded over the entirety of the Tenement. SEL22/1999 expires on 8 September 2010. We understand it is the Company's present intention to apply for category 5 mineral rights on the Tenement upon expiry of SEL22/1999. There can be no guarantee that such an application, if made, will be granted.

Further details of the Tenement, including area size, term, rent, minimum expenditure and applicable conditions, is contained in Part I of the Schedule.

### **4.2 Tenure and access**

The Tenement is located over the land tenure known as private land, Crown land, Forest Reserve and State Forest.

Specific exclusions from the land covered by the Tenement are set out in Sections 4.4 and 4.5 of this Report.

#### **Private land**

The majority of the Tenement is comprised of private landholdings. Private property is generally accessible under an exploration licence provided that 14 days' written notice is given to the owner/occupier. Consent of the private landholder is required prior to exploring land within 100 metres of any natural lake, artificial lake, dam, reservoir or any dwelling or substantial building.

Compensation is payable to the owners and occupiers of private land for any compensable loss suffered or likely to be suffered as a result of exploration under an exploration licence. Compensation is payable as agreed or, in the absence of an agreement, as determined by the Mining Tribunal.

Prior to the commencement of exploration activities, a security deposit is required to be posted with MRT to cover the potential liabilities to private land owner. MRT will ensure that the sum of the bond is at least commensurate with the estimated compensation and rehabilitation cost. A private land security deposit in the amount of \$6,000 has been lodged in respect of the Tenement.

#### **Crown land**

The holder of an exploration licence is permitted to enter onto and pass over all Crown land for the purpose of exploration and conduct all exploration activities permitted by the licence.

Compensation is payable to the State government for damage to any improvement on Crown land.

## **Forest Reserve and State Forest**

A small portion of the Tenement is classified as a Forest Reserve. Before exploration can proceed on land described as a "sensitive area" (including Forest Reserves), all proposed exploration programs in respect to such area must be reviewed by MRT.

State Forests are freely accessible and open to exploration.

## **4.3 Term and renewal of Tenement**

Tenements in Tasmania are applied for and granted subject to the terms of the Mineral Resources Development Act 1995 (Tas) (**MRDA**).

An exploration licence is granted for a period of 5 years unless earlier revoked.

The Minister may extend the term of an exploration licence upon application by the licensee for such term and on such conditions as the Minister sees fit.

The term of the exploration licence must be renewed on application by the licensee if the Minister is satisfied that:

- (a) the exploration to be carried out during the term of the licence has been completed;
- (b) the licensee has submitted any report or return as required;
- (c) the licensee has submitted a suitable work program for the period of extension; and
- (d) further detailed exploration is justified because substantiated results indicate the probability of a discovery leading to profitable mining operations.

The holder of an exploration licence has the exclusive right to apply for a mining lease over land within the area of the licence for the minerals specified in the licence.

## **4.4 Overlapping titles**

### **Exploration Licence**

As noted in section 4.1 of this Report, a small portion of the eastern boundary of the Tenement overlaps exploration licence SEL22/1999. The conflicting licence was granted prior to the grant of the Tenement in respect to precious and semi-precious stones and takes priority over the Tenement in respect of the overlapped area.

## Mining Leases

The Tenement overlaps small areas of land that are subject to mining leases. The holder of the Tenement will be excluded from exploring these areas. The total area overlapped by mining leases is 0.22 km<sup>2</sup> out of total Tenement area of 100 km<sup>2</sup>. The details of the mining leases are as follows:

Mining Lease Number	Holder	Area Covered
16M/1995	R J Hayes	0.12 km <sup>2</sup>
12M/1999	G & M Salter	0.04 km <sup>2</sup>
20M/1993	D H Lester	0.06 km <sup>2</sup>

## 4.5 Exclusions

The following areas of land are excluded from the Tenement:

- (a) any land owned or leased by the Commonwealth of Australia;
- (b) mining leases which were applied for or in force prior to the date of application for this licence;
- (c) Crown reservations amounting to 70 hectares (0.7 km<sup>2</sup>) or other land set apart or dedicated for any public purposes such as public reserves, municipal reserves or roadways unless such areas have been brought under the provisions of the MRDA; and
- (d) areas of private land which either have been, or are in the process of being, purchased by the Crown under the Regional Forest Agreement – Private Forests Reserves Program and/or private land over which the landowners have agreed, or are in the process of agreeing, to place a covenant or management agreement for conservation purposes under the Regional Forest Agreement – Private Forests Reserves Program or the Protected Areas on Private Land Program.

## 4.6 Expenditure and rent

The holder must comply with the minimum expenditure requirement for each year of the Tenement as determined by the Minister. For the year ending 22 November 2008, the minimum expenditure in respect of the Tenement is \$50,000.

Rent is payable in respect of the Tenement at a rate per square kilometre. The current rate is \$42.24 per square kilometre.

## 4.7 Exploration licence conditions

Exploration licences are granted subject to various conditions and obligations prescribed under the MRDA, including protection of the environment, protection of Aboriginal artefacts, drilling requirements, reporting requirements, expenditure commitments, maintenance of public liability insurance and lodgement of security deposits. The conditions attaching to the Tenement are specified in Part I of the Schedule to this Report.

## 5 Aboriginal Heritage

### 5.1 General

We have reviewed searches of the Tasmanian Aboriginal Site Index maintained by the Aboriginal Heritage Office, which has revealed three sites of historic cultural heritage within the parameters of the Tenement. The details of the sites are as follows:

Site number	Type
6025	Artefact scatter
6026	Isolated artefact
9891	Isolated artefact

The Aboriginal Heritage Office notes that the area is conducive to Aboriginal heritage and it is likely that other sites will be present.

The holder must ensure that it does not breach the Commonwealth and Tasmanian legislation relating to Aboriginal heritage as set out below. To ensure that it does not contravene such legislation, it would be prudent for the holder to conduct independent heritage surveys to determine if any Aboriginal sites or objects exist within the area of the Tenement, in addition to those noted above. Any interference with these sites or objects must be in strict conformity with the provisions of the relevant legislation.

### 5.2 Commonwealth Legislation

The Aboriginal and Torres Strait Islander Heritage Protection Act 1984 (Cth) (**Commonwealth Heritage Act**) is aimed at the preservation and protection of any Aboriginal areas and objects that may be located on the Tenement.

Under the Commonwealth Heritage Act, the Minister for Aboriginal Affairs may make interim or permanent declarations of preservation in relation to significant Aboriginal areas or objects, which have the potential to halt exploration activities. Compensation is payable by the Minister for Aboriginal Affairs to a person who is, or is likely to be, affected by a permanent declaration of preservation.

It is an offence to contravene a declaration made under the Commonwealth Heritage Act.

### 5.3 Tasmanian Legislation

Tenements are granted subject to a condition requiring observance of the Aboriginal Relics Act 1975 (TAS) (**Aboriginal Relics Act**).

Where any Aboriginal artefacts or objects of historic interest are discovered, operations shall be conducted so as not to damage or interfere with such site or object, and the licensee shall otherwise observe the provisions of the Aboriginal Relics Act.

MRT is charged with the maintenance and management of every protected site and the protection and preservation of the protected objects on and in that site. MRT will cause to be carried out such work as is necessary for protecting, preserving, restoring or repairing a protected object or any other object in or on that site.

MRT's consent is required where any use of land is likely to result in the destruction, damage, disfiguration, excavation, alteration or otherwise of any 'protected objects', as declared under the Aboriginal Relics Act.

## 6 Native Title

MRT takes the view that native title does not apply in Tasmania as there is no recognition of continuous association with Tasmanian land. There are no registered native title claims or determinations in Tasmania and MRT considers that any native title claim brought before the Courts would be extremely unlikely to succeed.

If the view of MRT is ever challenged and held to be invalid, then the land subject to the Tenement may be subject to native title claims and it would be necessary to comply with the processes in the Native Title Act 1993 (Cth) (NTA) prior to the grant of any tenement situated on native title land within the perimeter of the Tenement.

## 7 Assumptions and Qualifications

The Report is based on and qualified by the following matters:

- (a) we have assumed the accuracy and completeness of all Tenement searches, register extracts and other information or responses which were obtained from the relevant department or authority, including the MRT;
- (b) we have relied on the NNNT to confirm that no native title claims exist over the Tenement and we assume that their records are accurate and current;
- (c) we assume that the registered holder of the Tenement has valid legal title to the Tenement;
- (d) this Report does not cover any third party interests, including encumbrances, in relation to the Tenement that are not apparent from our searches and the information provided to us;
- (e) we have assumed that any agreements provided to us in relation to the Tenements are authentic, were within the powers and capacity of those who executed them, were duly authorised, executed and delivered and are binding on the parties to them;
- (f) we have assumed the accuracy and completeness of any instructions or information which we have received from the Company or any of its officers, agents and representatives;
- (g) unless apparent from our searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain the Tenement in good standing;
- (h) no external searches or inquiries, other than those set out in the Report, have been made;
- (i) no comment is made on, or assessment undertaken in respect of, any technical data and no physical inspection of any site has been undertaken; and
- (j) the information in the Schedule is accurate as at the date the relevant searches were obtained. We cannot comment on whether any changes have occurred in respect of the Tenement between the date of the searches and the date of the Prospectus.

## 8 Consent

This Report is given solely for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be relied on or disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Steinepreis Paganin has given its written consent to the issue of the Prospectus with this Report in the form and context in which it is included, and has not withdrawn its consent prior to the lodgement of the Prospectus with the Australian Securities and Investment Commission. This Report has been prepared only for the purpose of the Prospectus, and is not to be relied on or disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Yours faithfully



**STEINEPREIS PAGANIN**

## Part I

### Tenement Schedule

Tenement	Registered Holder	Grant Date	Expiry Date	Area Size	Annual Rent	Minimum Annual Expenditure	Security	Mineral Categories	Registered Encumbrances	Notes/Schedules
EL65/2004	James Ian Stewart and Paul Winston Askins	22/11/2005	22/11/2010	100km <sup>2</sup>	\$4,224	\$50,000	\$8,000	1, 3	-	1-19 Schedules A, B and D

### Key to Tenement Schedule

EL – Exploration Licence

Unless otherwise indicated, capitalised terms have the same meaning given to them in the Report. References to numbers in the “Notes/Schedules” column refers to the notes and schedules following this table.

### NOTES:

- 1 The licensee shall immediately on the issue of this licence take steps to commence preliminary works necessary for the investigation of the Licence Area.
- 2 The licensee must investigate the mineral potential of the Licence Area, implementing the exploration program submitted to and approved by the Director of Mines.
- 3 The licensee shall at all times adopt best current practice in regard to exploration activities, in accordance with any directions from Mineral Resources Tasmania and any specific requirements included in the Mineral Exploration Code of Practice and the schedules listed in clause 8.
- 4 That the licensee shall employ such technical and other staff and equipment as may be necessary effectively to carry out such investigations.
- 5 The licensee shall satisfy a minimum expenditure commitment of \$75,000 during the first two years of the licence.
- 6 The licensee shall submit an annual report to the Director of Mines at least one month before the anniversary date on which the licence was granted. The annual report shall be accompanied by a statutory declaration as to its accuracy, provide an acceptable summary of exploration on the licence, specify the amounts expended in respect of any exploration carried out on the licence and give details of proposed work and likely effect on the environment.

- 7 A relinquishment or final report is required to be submitted upon expiry, relinquishment or cancellation of all or part of the licence and must be submitted to the Director of Mines no less than thirty days prior to the expiry or surrender date. For the purposes of clauses 6 and 7 the requirements for reporting are those specified in the brochure 'Guidelines for Reporting' as amended from time to time.
- 8 The licensee shall observe, perform and fulfil the conditions as set forth in the Schedule 'A', Schedule 'B' and Schedule 'D' attached hereto and as amended from time to time.
- 9 The licensee shall be liable to pay the cost of any work carried out to remedy any damage arising from any breach of the conditions of this licence.
- 10 The licensee shall deposit an amount of \$2,000 (Performance Deposit) and \$6,000 (Private Land Deposit) as security that the conditions contained herein shall be observed. Upon expiry or sooner determination of the licence, the Director shall after taking into account the effect of sections 196, 197 and 198 of the Mineral Resources Development Act 1995, refund such deposit or such portion thereof, as he may determine.
- 11 Where the licensee holds several areas under licence a company security bond may be accepted after consultation with and approval from the Director of Mines. A bond lodged under this provision shall satisfy the requirements of clause 10.
- 12 If it is found, that the operations hereby authorised, are causing any undue damage to, or erosion of, the subject land or other land in the vicinity thereof or are unnecessarily disturbing the environment, the Minister may cancel the licence without compensation to the licensee by giving seven days' notice in writing of his intention to do so.
- 13 The licensee must arrange and keep in good standing public liability insurance to the minimum of \$10,000,000. Evidence that such insurance is current must be produced to the Director of Mines on demand.
- 14 The licensee will minimise usage of tracks and where tracks are constructed, after consultation with the Mineral Resources Tasmania, priority will be given to rehabilitation at the first opportunity.
- 15 Where possible, machinery brought into the licence area by the licensee, will be made available for Mineral Resources Tasmania (at MRT's cost) to carry out rehabilitation of past environmental disturbance, specifically former exploration tracks.
- 16 The licensee shall take reasonable steps to restrict public access to exploration sites, grid lines and exploration tracks.
- 17 The security deposit provided under the requirements of Section 14(4)(f) of the Mineral Resources Development Act 1995, shall be lodged with the Director of Mines before the carrying out of any on-ground activity including access to private land.
- 18 The licensee shall notify the owner and occupier of private land, in writing, fourteen days before entering such land or such shorter time as the landowner may agree.
- 19 The licensee shall not explore on private land, without the consent of the owner and occupier of the land, within 100 metres of the surface of –
  - (a) any natural lake, artificial lake, dam, reservoir, water producing well or artificial pond; or
  - (b) any dwelling or substantial building.

## Schedule A

General operational conditions for exploration, retention and special exploration licences under the Mineral Resources Development Act 1995:

- 1 The licensee shall observe any instructions which may be given by the Director of Mines with the aim of minimising or preventing damage to public or private property, and conform to the provisions of the Mineral Exploration Code of Practice, as revised from time to time, for all operations.
- 2 Specific written approval is required from Mineral Resources Tasmania for any on ground exploration activity.
- 3 The licensee must submit a written request to gain approval for any planned exploration activities (an EII work program form may be used). (See the Mineral Exploration Code for Practice for details.)
- 4 Condition imposed on such works must be strictly observed.
- 5 Proposed programs should be submitted at least four weeks before work is planned to commence to allow time for field inspections to be arranged if required.
- 6 Mineral Resources Tasmania will contact other Government agencies and/or electricity authorities as required to seek their advice in order to set conditions on a site-specific basis.

Work programs must not be sent to other State agencies other than via Mineral Resources Tasmania and explorers must not contact other State agencies until directed to do so by Mineral Resources Tasmania.

- 7 Work is to be planned to avoid, insofar as practicable, the need to construct tracks and drill pads in wet weather.
- 8 On the completion of exploration, all works (tracks, helipads, drill pads, costeans etc) are to be rehabilitated to the satisfaction of the Director of Mines.
- 9 The licensee must ensure that all drill holes have secure collars that will allow holes to be sealed if they make water. All drill holes must be securely capped or sealed.
- 10 The licensee shall observe the provisions of Sections 117 – 122 of the Mineral Resources Development Act 1995, with regard to notification of bore holes, preservation of core and disposal thereof.
- 11 At the termination of the licence, or at any time at the option of the licensee, all drill core and samples required by the Director of Mines shall be delivered in core boxes 1000 millimetres long and either 400 or 200 millimetres wide to the Core Store at Mornington at the cost of the licensee, unless the Director of Mines notifies the licensee in writing that such core samples are not required. Where companies are still using stocks of old core boxes (1050 x 470 mm for example) these will be accepted by Mineral Resources Tasmania. Although not mandatory, Mineral Resources Tasmania strongly prefers core to be submitted in UV-treated plastic trays.
- 12 The licensee shall not light any fires.

13 The licensee shall notify the relevant District Forester of Forestry Tasmania before entering on a State Forest and shall comply with the reasonable requirements of such officer in operations in any such State Forest. Any commercial forest produce which is cut down (with approval) during exploration must either be paid for at current rates or removed for salvage, and any such activities must be done in accordance with the Forest Practice Code.

The licensee shall allow unhindered access for forestry operations and Forestry Tasmania officers during work in State Forest.

14 Land vested in the HEC, Transend, Aurora and other like bodies is to be accessed in the same way as private property. MRT will advise the explorer of the relevant HEC/Transend/Aurora office who is to be contacted by the explorer prior to work being conducted on vested land. The explorer will comply with any reasonable request from the officer in charge of vested land.

15 Where any Aboriginal artefacts or objects of historic interest are discovered, operations shall be conducted so as not to damage or interfere with such site or object, and the licensee shall report details of such discovery to the Secretary, Parks and Wildlife Service and shall otherwise observe the provisions of the Aboriginal Relics Act 1975.

16 There may be a requirement for archaeological inspections to be conducted prior to approval for works being granted in the same areas.

17 The licensee shall not interfere in any way with native fauna or flora, unless as approved by MRT.

18 Where investigations are to be undertaken in Regional Forest Agreement derived reserves all exploration proposals must first be assessed by the Minerals Exploration Working Group.

19 All waste, rubbish and other materials produced or used during the exploration and related works are to be removed from the licensee area and deposited in a recognised waste disposal facility.

20 All licence holders must ensure that field officers are fully aware of all conditions and schedules applying to the licensee. A copy of the licence is provided by Minerals Resources Tasmania for this purpose.

21 The Minister reserves the right to suspend operations immediately if weather conditions and/or the operation are causing unnecessary damage to roadways and tracks.

## **Schedule B**

General reporting conditions for exploration, retention and special exploration licences under the Minerals Resources Development Act 1995:

### **1 Quarterly Reports**

Quarterly reports must be lodged for the quarters ending 31 March, 30 June, 30 September and 31 December.

The quarterly reports shall be lodged within 31 days of the above dates.

The reports should be made on the appropriate form, available from Mineral Resources Tasmania, and must contain an expenditure statement, a brief progress report on exploration and full details of any activities completed, in progress or planned that have an environmental impact. A report form will be posted to each tenement holder before the end of each quarter.

The quarterly progress report on exploration should be a brief statement of work carried out and major results obtained, and the progress of long-term surveys. The progress report should be no more than one page. Detailed accounts and results of specific surveys are not required in quarterly reports. Any detailed data given in a quarterly report must be resubmitted in the annual report.

### **2 Annual Reports**

A report is required for all investigations undertaken during the term of the Licence or Lease. This report should be submitted to the Director of Mines one month before the annual review date.

Details of the contents and format of annual reports are given in the MRT Guidelines for Reporting sections including instructions for submitting all available digital data.

For Exploration Licences, the first annual report should also contain a statement of the exploration philosophy and objectives (in particular, the type of mineral deposits sought and the reasons for considering the Licence area prospective for these deposits).

When long-term surveys, such as regional geochemical surveys, are in progress at the time of submission of an annual report, it is acceptable to indicate the progress of such surveys, and to submit the full results in a subsequent report when the survey has been completed.

### **3 Final Reports On Exploration Licences**

A final report is required to be submitted upon expiry, relinquishment or cancellation of all or part of an Exploration Licence, and must be submitted to the Director of Mines no less than 30 days prior to the expiry or surrender date.

The report must accompany a surrender application or an application for renewal of the reduced area of the Licence, but be separate from the annual report supporting the area to be retained.

Final reports generally follow the content and format of annual reports, and are required to contain the following information:

- (a) a résumé of the exploration philosophy;

- (b) a summary of all exploration undertaken on the relinquished area during the tenure of the Licence. Detailed information, such as results of geochemical and geophysical surveys, drill logs, etc., which have been included in previously submitted annual reports, need only be referred to in the final report but must be provided in partial relinquishment reports unless the Licensee opts for the relevant reports to be released from confidential files as detailed below.
- (c) Full details of work undertaken during the final reporting period, and any data not previously report.
- (d) Conclusions as to the nature and distribution of any mineralisation in the relinquishment area.
- (e) A complete bibliography of all report on the relinquished area.
- (f) Any transparencies of plans within the relinquishment area, cross-referenced with the relevant annual report where applicable.
- (g) Details of tracks constructed, costeaning, drill sites cleared, etc, and details of rehabilitation undertaken.
- (h) Complete digital datasets covering the life of the tenement should be lodged (and will be stored in MRT's TIGER system). This effectively provides subsequent explorers with easy access to all digital data pertaining to the tenement.

As an alternative to providing full details of all exploration within partial relinquishment areas (as required in item (b) above), the Licensee may opt for previously submitted annual report to be released from confidential files. This would alleviate the necessity to duplicate previously submitted.

## **Schedule D**

Non-exclusive Licence – Exploration Reports

### **1 Licence to use reports**

- (a) In respect of reports prepared by or on behalf of the holder and submitted to the Director pursuant to Schedule A of this licence or otherwise, the holder hereby grants to the Minister, by way of a non-exclusive licence, copyright therein, to publish, print, adapt and reproduce the work in any form and for the full duration of the copyright, subject to a period of confidentiality as outlined in sub-clause (2).
- (b) The non-exclusive licence to do acts comprised in the copyright granted hereunder is a consent to disclosure of the information contained in the copyright material.

## 2 Confidentiality

- (a) All exploration reports submitted in accordance with the conditions of this title will be kept confidential for a period of five years from the due date of the report, or while the title is in force, whichever is of the shorter duration, except in cases where:
- i The holder has agreed that specific reports may be made non-confidential.
  - ii Reports deal exclusively with exploration conducted on areas that have ceased to be part of the title.
- (b) Confidentiality of reports will be continued beyond the termination of a title in cases where an application for extension of term of that title was lodged during the currency of the title, provided that a period of no more than five years has elapsed since the due date of a report concerned. An application for an amalgamated exploration licence would be treated in the same way as an application for renewal for the purpose of this sub-section.
- (c) The maintenance and continuation of the period of confidentiality under sub-clauses (a) and (b) above is subject to the holder submitting a report on all exploration conducted in the parts of the tenement that have been relinquished. Such reports will be made public.
- (d) The Director may extend the period of confidentiality in respect of reports beyond the time(s) stipulated in sub-clauses (a) and (b).

## 3 Terms of the non-exclusive licence

The terms of the non-exclusive copyright licence granted under sub-clause (1) (a) are:

- (a) The Director may sub-licence others to publish, print, adapt and reproduce but not on-licence the copyright in a report.
- (b) The Director and any sub- licensee will acknowledge the holder's and any identifiable consultant's ownership of copyright in reports in any reproduction of reports, including storage of reports onto an electronic database.
- (c) The holder does not warrant ownership of all copyright works contained in any report and the holder will use best endeavours to identify those parts of the report for which the holder owns the copyright.
- (d) There is no royalty payable by the Minister for the licence.

## Part II

### Material Contract Summaries

#### Tenement Acquisition Agreement

On 26 June 2008, Arcadia entered into an agreement with James Ian Stewart and Paul Winston Askins (**Vendors**) pursuant to which the Vendors agreed to sell their right, title and interest in exploration licence 65/2004 (**Tenement**) to Arcadia on the following material terms and conditions:

- (a) (**Transfer of Tenement**): the Vendors shall transfer and Arcadia shall accept the transfer of the Vendors' right, title and interest in the Tenement, free from all encumbrances registered on the Tenement, for the consideration;

- (b) (**Condition precedent**): the transfer of the Tenement is conditional upon the parties obtaining any required approval or consent under the MRDA to enable Arcadia to become the registered holder of the Tenement;
- (c) (**Consideration**): in consideration for the transfer of the Tenement, Arcadia shall pay to each of the Vendors the sum of \$50,000;
- (d) (**Completion**): completion of the agreement will occur upon satisfaction of the condition precedent, at a time and place to be agreed by the parties. Following completion, Arcadia will be entitled to possession of the Tenement;
- (e) (**Re-transfer of Tenement**): if within 9 months of completion of the agreement Arcadia fails to:
- i be admitted to the official list of ASX;
  - ii enter into an agreement to sell 100% of its issued share capital in exchange for shares in an entity that is admitted to the official list of ASX; or
  - iii enter into an agreement to sell 100% of its issued share capital in exchange for shares in an entity that would, upon completion of the sale, become entitled to be admitted to the official list of ASX,
- then Arcadia must offer to transfer its interest in the Tenement to the Vendors for the nominal sum of \$1.
- (f) (**Representations and warranties**): the parties have provided each other with standard warranties in an agreement of this nature, including warranties given by the Vendors that the Tenement is held free of encumbrances and there is no third party right or interest in the Tenement;

## Section eight ADDITIONAL INFORMATION

### 8.1 Rights Attaching to Securities

#### Ordinary Shares

The rights, privileges and restrictions attaching to Shares can be summarised as follows:

##### a General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act 2001 and the Constitution of the Company.

##### b Voting Rights

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

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

### **c Dividend Rights**

Subject to the rights of persons (if any) entitled to shares with special rights to dividend the Directors may declare a final dividend out of profits in accordance with the Corporations Act 2001 and may authorise the payment or crediting by the Company to the shareholders of such a dividend. The Directors may authorise the payment or crediting by the Company to the shareholders of such interim dividends as appear to the Directors to be justified by the profits of the Company. Subject to the rights of persons (if any) entitled to shares with special rights as to dividend all dividends are to be declared and paid according to the amounts paid or credited as paid on the shares in respect of which the dividend is paid. Interest may not be paid by the Company in respect of any dividend, whether final or interim.

### **d Winding-Up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no shareholder is compelled to accept any shares or other securities in respect of which there is any liability. Where an order is made for the winding up of the Company or it is resolved by special resolution to wind up the Company, then on a distribution of assets to members, any shares classified as restricted securities at the time of the commencement of the winding up shall rank in priority after all other shares.

### **e Transfer of Shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act 2001.

### **f Variation of Rights**

Pursuant to Section 246B of the Corporations Act 2001, the Company may, with the sanction of a special resolution passed at a meeting of shareholders vary or abrogate the rights attaching to shares.

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

## g Terms of Options

The following Options have been issued or are proposed to be issued to the persons and in the quantities as set out in Section 1.6.

Exercise price	Expiry date	Number
\$0.25	30 June 2011	1,750,000
\$0.35	30 June 2012	1,750,000
\$0.40	31 December 2013	3,000,000

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- a Each Option gives the Option holder the right to subscribe for one Share. To obtain the right given by each Option, the Option holder must exercise the Options in accordance with the terms and conditions of the Options.
- b The Options will expire at 5:00 pm (WST) on the Expiry Date. Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- c The amount payable upon exercise of each Option will be the Exercise Price.
- d The Options held by each Option holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- e An Option holder may exercise their Options by lodging with the Company, before the Expiry Date:
  - i a written notice of exercise of Options specifying the number of Options being exercised; and
  - ii a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised,

**(Exercise Notice).**
- f An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- g Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- h The Options are not transferable.
- i All Shares allotted upon the exercise of Options will upon allotment rank *pari passu* in all respects with other Shares.
- j The Company will not apply for quotation of the Options on ASX. However, The Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
- k If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

- l There are no participating rights or entitlements inherent in the Options and Option holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- m An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

## 8.2 Employee Incentive Scheme

As an incentive to employees of Kintore, the Company has adopted a scheme called the Kintore Resources Employee Incentive Scheme (**Scheme**). At the date of this Prospectus, no Options have been granted under this Scheme.

The purpose of the Scheme is to give employees, directors, executive officers and consultants of the Company an opportunity, in the form of Options, to subscribe for Shares in the Company. The Directors consider the Scheme will enable the Company to retain and attract skilled and experienced employees, board members and executive officers and provide them with the motivation to make the Company more successful.

A summary of the terms and conditions of the Scheme is set out below:

### Participants in the Scheme

The Board may offer free Options to persons (**Eligible Persons**) who are:

- a full-time or part-time employees; or
- b directors.

Upon receipt of such an offer, the Eligible Person may nominate an associate acceptable to the Board to be issued with the Options.

### Terms of Options

There is no issue price for the Options. The exercise price for the Options will be:

- a 125% of the market value of Shares on the date on which the Options are issued; or
- b 20 cents; or
- c any greater price determined by the Board,

whichever is the greatest.

Shares issued on exercise of Options will rank equally with other ordinary shares of the Company.

Options may not be transferred without the approval of the Board. Quotation of Options on ASX will not be sought. However, in the event that the Company is listed on ASX, it will apply to ASX for Quotation of Shares issued on the exercise of Options.

## Restrictions on Issues and Exercise of Options

The Board may not offer Options under the Scheme if the total number of Shares which would be issued were each Option accepted, together with the number of Shares in the same class or Options to acquire such Shares issued pursuant to all employee or executive share schemes during the previous five years, exceeds 5% of the total number of issued Shares as at the date of the offer.

Options may only be issued or exercised within the limitations imposed by the Corporations Law and the ASX Listing Rules.

## Exercise of Options

Options may be exercised at any time between 2 and 5 years after the date of grant of the Options.

If an Eligible Person leaves the employment of the group:

- a 2 years or more after options are issued; or
- b because of retirement at or after 55 years of age, disablement, retrenchment, death or any other circumstances approved by the Board,

the Options may be exercised within 30 days (or 3 months in the case of death), or any longer period permitted by the Board. If not exercised in that time, the Options lapse.

If an Eligible Person leaves the employment of the group earlier than 2 years after Options are issued and (b) above does not apply, the Options lapse.

If an Eligible Person acts fraudulently, dishonestly or in breach of obligations to the Company or any subsidiary then, at the Board's discretion, Options issued for that person will lapse.

Unexercised Options will automatically lapse five years after they are issued.

## Participation in Future Issues

The holders of Options will only participate in new issues, including bonus issues, if they have exercised the Options at that time and provided such exercise is permitted by the terms of the Option.

If there is a bonus issue to Shareholders, the number of Shares over which the Option is exercisable may be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the Options may be reduced in accordance with Listing Rule 6.22.

## Capital Reconstruction

In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of the Option holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.

### 8.3 Summary of Material Contracts

#### Share Sale Agreement

On 20 August 2008, the Company entered into an agreement (**Agreement**) to acquire all of the issued share capital of Arcadia from the shareholders of Arcadia (**Vendors**) on the following material terms and conditions:

- a (**Conditions Precedent**): the acquisition is conditional on:
  - i the Company lodging a prospectus with the ASIC and raising a minimum of \$3.5 million through the issue of Shares at a price of 20 cents per Share;
  - ii ASX granting the Company conditional approval to list its ordinary shares on ASX, subject only to conditions that the Company reasonably believes can be satisfied.

Conditions precedent must be satisfied by 20 February 2009.

- b (**Consideration**): the consideration paid and to be paid to the Vendors is a total of 13,000,000 Shares, of which the Company will use best endeavours to ensure that 1,450,000 of the consideration Shares are immediately tradeable on ASX, with the remaining Shares subject to escrow for the period imposed by ASX.
- c (**Board nominee**): Arcadia has the right to nominate two persons to be elected to the board of directors of the Company.
- d (**Representations and warranties**): the Vendors have provided the Company with standard representations and warranties including the status and good standing of the tenement.
- e (**Settlement**): settlement will occur upon satisfaction of the conditions precedent. At settlement, the Company will issue the Shares to the Vendors in exchange for the acquisition of all the issued share capital of Arcadia.

#### Deeds of Indemnity and Access

The Company intends to enter into a deed of indemnity, insurance and access with each of its appointed officeholders. Under those deeds, the Company will agree to indemnify the officer to the extent permissible by the Corporations Act 2001 against any liability arising as a result of that officer acting in the capacity as an officer of the Company.

### 8.4 Interests of Directors and Proposed Directors of the Company

Except as disclosed in this Prospectus, no Director or Proposed Director holds, or during the last two years has held any interest in:

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

and no amounts of any kind (whether in cash, Shares or otherwise) have been paid or agreed to be paid to any Director to induce him to become or to qualify as a Director or otherwise for services rendered by him in connection with the formation or promotion of the Company or the offer of Shares under this Prospectus.

## Directors' Shareholdings

The Directors are not required under the Constitution to hold any shares.

At the date of this Prospectus the relevant interests of each of the Directors in the Shares and Options of the Company is as follows:

	No. of Shares	No. of 2011 Options	No. of 2012 Options
<b>Current Director</b>			
Ian Prentice (i)	400,001	1,000,000	1,000,000
Kent Hunter (ii)	700,000	250,000	250,000
Jonathan Murray (iii)	200,000	250,000	250,000
<b>Proposed Director</b>			
Hugh Herbert (iv)	1,500,000	250,000	250,000

Notes:

- i All Securities are held by Ian Prentice ATF <I&T Prentice Family A/C>
- ii All Securities are held by Kouta Bay Pty Ltd ATF <Houndy Family Trust> of which Mr Hunter is a beneficiary.
- iii All Securities are held by legally Mrs Andrea Murray ATF <Murray Family Fund No 2 A/C>, spouse of Mr Murray.
- iv All Securities are held by HK&JA Herbert ATF <The Herbert Superannuation Fund>. Shares will only be issued at completion of the Arcadia Share Sale Agreement.

Nothing in this Prospectus will be taken to preclude Directors, officers or employees of Kintore from applying for Shares under this Prospectus.

## Directors' Remuneration

The Directors have arranged for Mr Ian Prentice to provide his services as Managing Director of Kintore. Kintore will pay Mr Prentice, at a rate calculated on the basis of \$180,000 per annum exclusive of superannuation.

Mr Hunter will receive Director's fees of \$30,000 per annum, exclusive of superannuation.

Mr Murray will receive Director's fees of \$30,000 per annum, exclusive of superannuation. Mr Murray is a partner of Steinepreis Paganin. Steinepreis Paganin will receive professional fees in relation to services provided as legal advisor to the Company for this Prospectus. Please refer to section 8.5 for further details.

Zephyr Consulting Group Pty Ltd, a Company of which Mr Prentice is a director, will receive professional fees of approximately \$6,500 per month for the provision of office space and administration services.

Mining Corporate Pty Ltd, a Company of which Mr Hunter is a director, will receive professional fees of approximately \$40,000 for corporate advisory work undertaken by them in connection with this Prospectus. Mining Corporate will also receive a fee based on normal commercial terms after listing on the ASX for company secretarial and corporate consulting service provided to Kintore.

## Proposed Directors' Remuneration

Mr Herbert will receive Director's fees of \$30,000 per annum, exclusive of superannuation.

## 8.5 Interests of Persons Named

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

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

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

Luksam Consultants has acted as the Independent Geologist and has prepared an Independent Geologist's Report which has been included in Section 5 of this Prospectus. The Company estimates that it will pay Luksam Consultants approximately \$10,000 for the provision of these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Luksam Consultants has not received any other fees from the Company.

Bentleys has acted as auditor and Investigating Accountant and has prepared an Investigating Accountant's Report which has been included in Section 6 of this Prospectus. The Company estimates that it will pay Bentleys approximately \$8,000 for the provision of these services. Subsequent fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Bentleys has not received any other fees from the Company.

Steinepreis Paganin has acted as solicitors to the Company in relation to the Offer and has prepared a Solicitor's Report on Tenements which has been included in Section 7 of this Prospectus. The Company estimates that it will pay Steinepreis Paganin approximately \$25,000 for the provision of these services. Subsequent fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has not received any other fees from the Company.

Advanced Share Registry Services have been appointed as Kintore's share registry and will be paid for these services on normal commercial terms.

Mining Corporate Pty Ltd has acted as IPO Compliance Manager in relation to the Offer and this Prospectus. The Company estimates that it will pay Mining Corporate Pty Ltd approximately \$40,000 for the provision of these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Mining Corporate Pty Ltd has not received any other fees from the Company.

## 8.6 Consents

The following persons have each consented to being named in the Prospectus and to the inclusion of the following statements and statements identified in this Prospectus as being based on statements made by those persons, in the form and context in which they are included, and have not withdrawn that consent before lodgement of this Prospectus with the ASIC:

- Luksam Consultants – Independent Geologist’s Report;
- Bentleys – Investigating Accountant’s Report; and
- Steinepreis Paganin – Solicitor’s Report on Tenements.

To the maximum extent permitted by law, each of the persons referred to above expressly disclaims and takes no responsibility for any part of this Prospectus other than the statements referred to above and the statements identified in this Prospectus as being based on statements made by those persons.

The following persons have consented to being named in this Prospectus but have not made any statements that are included in this Prospectus or statements identified in this Prospectus as being based on any statements made by those persons, and have not withdrawn their consent before lodgement of this Prospectus with ASIC:

- Steinepreis Paganin as legal advisors to Kintore;
- Bentleys as auditors of Kintore;
- Advanced Share Registry Services as Share Registrar; and
- Mining Corporate Pty Ltd as IPO Compliance Managers to Kintore.

To the maximum extent permitted by law, each of the persons referred to above expressly disclaims and takes no responsibility for any part of this Prospectus other than the references to their name.

## 8.7 Expenses of the Offer

It is estimated that Kintore will pay the following costs in connection with the preparation and issue of this Prospectus:

	Minimum Subscription (\$3.5m)	Full Subscription (\$5m)
Broker Fees	210,000	300,000
Corporate Advisory	40,000	40,000
Legal	25,000	25,000
Accounting	8,000	8,000
Geological Expert	10,000	10,000
Printing	14,000	14,000
ASIC and ASX Fees	28,677	32,684
Other costs	25,000	25,000
<b>Total</b>	<b>360,677</b>	<b>454,684</b>

## 8.8 Taxation

The acquisition and disposal of Shares in Kintore will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in Kintore are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, Kintore, its officers and each of their respective advisors accept no liability or responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

## 8.9 Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Potential investors should be aware that this examination may result in the identification of deficiencies in the Prospectus and, in those circumstances, any Application that has been received may need to be dealt with in accordance with Section 724 of the Corporations Act 2001. Applications for Shares under this Prospectus will not be accepted by the Company until after the expiry of the Exposure Period. No preference will be conferred on persons who lodge Applications prior to the expiry of the Exposure Period.

## 8.10 Litigation

The Company is not involved in any material litigation or arbitration proceedings, nor, so far as the Directors are aware, are any such proceedings pending or threatened against the Company.

## 8.11 Electronic Prospectus

Pursuant to Class Order 00/044 the ASIC has exempted compliance with certain provisions of the Corporations Act 2001 to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company at [admin@kintorerresources.com.au](mailto:admin@kintorerresources.com.au) and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus or both. Alternatively, you may obtain a copy of the Prospectus from the Company's website at: [www.kintorerresources.com.au](http://www.kintorerresources.com.au).

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

## Section nine GLOSSARY

**Applicant** means a person who submits an Application.

**Application** means a valid application to subscribe for Shares.

**Application Form** means the application form attached to and forming part of this Prospectus.

**Application Monies** means monies received by Kintore from Applicants.

**Arcadia** means Arcadia Resources Limited (ACN 126 192 452).

**ASIC** means the Australian Securities and Investments Commission.

**ASTC** means ASX Settlement and Transfer Corporation Pty Ltd (ACN 008 504 532).

**ASX** means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

**Auditors** means RLF Bentleys Audit and Corporate Pty Ltd trading as Bentleys.

**Board** means the board of Directors unless the context indicates otherwise.

**Business Day** means a day other than a Saturday or Sunday on which banks are open for business in Perth, Western Australia.

**CHESS** means ASX Clearing House Electronic Subregistry System.

**Closing Date** means the date on which the Offer closes, being 28 November 2008.

**Company** or **Kintore** means Kintore Resources Limited (ACN 128 761 688).

**Corporations Act 2001** means the Corporations Act 2001 of Australia.

**Directors** means the directors of the Company from time to time.

**Dollars or \$** means Australian dollars unless otherwise stated.

**Exposure Period** means the period of seven (7) days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than seven (7) days pursuant to Section 727(3) of the Corporations Act 2001.

**Glossary** means this glossary.

**Investigating Accountant** means RLF Bentleys Audit and Corporate Pty Ltd trading as Bentleys

**Investigating Accountant's Report** means the report contained in Section 6 of this Prospectus.

**Independent Geologist** means Luksam Consultants.

**Independent Geologist's Report** means the report contained in Section 5 of this Prospectus.

**Kintore** or **Company** means Kintore Resources Limited (ACN 128 761 688).

**Listing Rules** means the official Listing Rules of the ASX.

**Offer** means the offer of up to 25,000,000 Shares pursuant to this Prospectus.

**Offer Period** means the period commencing on the Opening Date and ending on the Closing Date.

**Official List** means the Official List of the ASX.

**Opening Date** means the date on which the Offer opens.

**Option** means an option to acquire 1 Share.

**Project** or **Derby Tin Project** means tenement EL65/2004 located in north east Tasmania in which the Company will acquire an interest.

**Proposed Director** means persons proposed to be appointed to the Board upon completion of the acquisition of Arcadia.

**Prospectus** means this prospectus dated 17 October 2008 for the issue of up to 25,000,000 Shares including any electronic or online version.

**Quotation** means quotation of the Shares on ASX.

**Section** means a section of this Prospectus.

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

**Shareholder** means a holder of Shares.

**Share Registrar** means Advanced Share Registry Services Pty Ltd.

**Solicitor's Report on Tenements** means the report contained in Section 7 of this Prospectus.

**WST** means Western Standard Time, Perth, Western Australia.

## Section ten CONSENT

The Directors and Proposed Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors and Proposed Directors in this Prospectus are not misleading or deceptive and that in respect to any other statements made in this Prospectus by persons other than Directors and Proposed Directors, the Directors and Proposed Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with the ASIC, or to the Directors' and Proposed Directors knowledge, before any issue of Shares pursuant to this Prospectus.

Each of the Directors and Proposed Directors of Kintore Resources Limited has consented to the lodgement of this Prospectus in accordance with Section 720 of the Corporations Act 2001 and has not withdrawn that consent.

Dated the 17 October 2008.

Signed for and on behalf of  
**KINTORE RESOURCES LIMITED**

By  
**Ian Prentice**  
Managing Director

**Application form**

Before completing this Application Form, you should read the Prospectus dated 17 October 2008 and the instructions overleaf. No Shares will be issued pursuant to the Prospectus later than 13 months after the date of the Prospectus.

**Please read carefully all instructions on the reverse of this form.**

Broker/Dealer Stamp

Registrar Use Only

I/We apply for  Shares in **Kintore Resources Limited** at 20 cents per Share

or such lesser number of Shares which may be allocated to me/us by the Directors.

I/We lodge full application monies of \$

**Name of Applicant/s** (Please Print)

**First Name**  **Surname**

Joint Applicant #2 or <designated account>

Joint Applicant #3 or <designated account>

**Postal Address** (Please Print)

Street Number  Street

Suburb/Town  State  Post code

**Contact Name**  Telephone number – Business hours

Telephone number – After hours

**Chess HIN** (where applicable)  E-mail address

**Tax File Number or Exemption**

Applicant #1  #2  #3

**Cheque Details**

Drawer  Bank  BSB  Amount of cheque

Drawer  Bank  BSB  Amount of cheque

Cheques should be marked '**Not Negotiable**' and make payable "**Kintore Resources Limited - Application Funds**".

**Declaration and Statements:**

By lodging this Application Form:

I/We declare that all details and statements made by me/us are complete and accurate;

I/We agree to be bound by the terms and conditions set out in the Prospectus and by the Constitution of the Company;

I/We acknowledge that the Company will send me/us a paper copy of the Prospectus free of charge if I/we request so during the currency of the Prospectus;

I/We authorise the Company to complete and execute any documentation necessary to effect the issue of Shares to me/us; and

I/We acknowledge that returning the Application Form with the application monies will constitute my/our offer to subscribe for Shares in Kintore Resources Limited and that no notice of acceptance of the application will be provided.

**To meet the requirements of the Corporations Act 2001, this form must not be handed to any person unless it is Attached to or accompanied by the Prospectus dated 17 October 2008.**

### How to complete the Application form

Applications must be made on the Application Form attached to this Prospectus. Please complete all relevant parts of the Application Form using **Block Letters**.

- A Enter the NUMBER OF SHARES you wish to apply for. The application must be for a minimum of 10,000 Shares and thereafter in multiples of 1,000 Shares.
- B Enter the TOTAL AMOUNT of application money payable. To calculate the amount, multiply the number of Shares applied for by \$0.20.
- C Enter the FULL NAME(S) of all legal entities that are to be recorded as the registered holder(s). Use correct forms of registrable name (see below). Applications using the wrong form of name may be rejected.
- D Enter the POSTAL ADDRESS for all communications from the Company. Only one address can be recorded.
- E Enter a CONTACT NAME and TELEPHONE NUMBER(S) of a person the share registry can speak to regarding any queries they may have on the Application.
- F The Company will become an Issuer Sponsored participant in the ASX CHESS System. This enables a holder to receive a statement of their shareholdings from the Company's Share Registrar. If you are already a Broker Sponsored participant in this system, enter your Holder Identification Number (HIN). Otherwise, leave this box blank and your Shares will automatically be issued sponsored on allotment.
- G Enter the TAX FILE NUMBER(S) of the Applicant(s). Collection of Tax File Numbers is authorised by taxation laws. Quotation of Tax File Number(s) is not compulsory and will not affect the Application.
- H Enter the details of cheque(s) accompanying the Application Form in payment of application monies.

### Declaration and Statements

Before completing the Application Form the Applicant(s) should read the Prospectus dated 17 October 2008. The Applicant(s) agree(s), upon and subject to the terms of the Prospectus, to take any number of Shares equal to or less than the number of Shares indicated on the Application Form that may be allotted to the Applicants pursuant to the Prospectus and declare(s) that all details of statements made are complete and accurate.

No notice of acceptance of the Application will be provided by the Company prior to the allotment of Shares. Applicants agree to be bound upon acceptance by the Company of the Application.

If your Application Form is not completed correctly, it may still be treated as valid. The Company's decision as to whether to treat your Application as valid, and how to construe, amend or complete it, shall be final.

There is no requirement to sign the Application Form.

### Payment

Applications for Shares must be accompanied by the application money of \$0.20 per Share (in Australian currency). Cheques should be made payable to "Kintore Resources Limited - Application Funds" and crossed 'Not Negotiable'.

### Lodging of Applications

Completed Application Forms and accompanying application monies must be:

Posted to:	OR	Delivered to:
Kintore Resources Limited		Kintore Resources Limited
C/- Advanced Share Registry Services		C/- Advanced Share Registry Services
PO Box 1156		150 Stirling Highway
NEDLANDS WA 6909		NEDLANDS WA 6009

Applications must be received by no later than **5.00pm WST on the Closing Date, currently 28 November 2008** (unless varied by the Company).

### Correct Form of Registrable Title

Note that only legal entities are allowed to hold Shares. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Kintore Resources Limited. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the example of the correct forms of registrable names below:

Type of Investor	Correct Form of Registrable Title	Incorrect Form of Registrable Title
Individual <i>Use given names, not initials</i>	Peter David Jones	<i>PD Jones</i>
Company <i>Use Company title, not abbreviations</i>	AAA Pty Ltd	<i>AAA P/L AAA Co</i>
Trusts <i>Use trustee(s) personal name(s), Do not use the name of the trust</i>	Michelle Jones <Michelle Jones Family A/C>	<i>Michelle Jones Family Trust</i>
Deceased Estates <i>Use executor(s) personal name(s)</i>	James Jones <Est James Jones A/C>	<i>Estate of late James Jones</i>
Partnerships <i>Use partners' personal names, do not use the name of the partnership</i>	James Jones and Peter Jones <James Jones and Son A/C>	<i>James Jones and Son</i>
Clubs/Incorporated Bodies/Business Names <i>Use office bearer(s) personal name(s), Do not use the names of the clubs etc.</i>	Michael Jones <BBB Cricket Association A/C>	<i>BBB Cricket Association</i>
Superannuation Funds <i>Use of name of trustee of fund, do not use the name of the fund.</i>	Lisa Jones Pty Ltd <Super Fund A/C>	<i>Lisa Jones Pty Ltd Superannuation Fund</i>

**Application form**

Before completing this Application Form, you should read the Prospectus dated 17 October 2008 and the instructions overleaf. No Shares will be issued pursuant to the Prospectus later than 13 months after the date of the Prospectus.

**Please read carefully all instructions on the reverse of this form.**

Broker/Dealer Stamp

Registrar Use Only

I/We apply for  Shares in **Kintore Resources Limited** at 20 cents per Share

or such lesser number of Shares which may be allocated to me/us by the Directors.

I/We lodge full application monies of \$

**Name of Applicant/s** (Please Print)

**First Name**  **Surname**

Joint Applicant #2 or <designated account>

Joint Applicant #3 or <designated account>

**Postal Address** (Please Print)

Street Number  Street

Suburb/Town  State  Post code

**Contact Name**  Telephone number – Business hours

Telephone number – After hours

**Chess HIN** (where applicable)  E-mail address

**Tax File Number or Exemption**

Applicant #1  #2  #3

**Cheque Details**

Drawer  Bank  BSB  Amount of cheque

Drawer  Bank  BSB  Amount of cheque

Cheques should be marked '**Not Negotiable**' and make payable "**Kintore Resources Limited - Application Funds**".

**Declaration and Statements:**

By lodging this Application Form:

I/We declare that all details and statements made by me/us are complete and accurate;

I/We agree to be bound by the terms and conditions set out in the Prospectus and by the Constitution of the Company;

I/We acknowledge that the Company will send me/us a paper copy of the Prospectus free of charge if I/we request so during the currency of the Prospectus;

I/We authorise the Company to complete and execute any documentation necessary to effect the issue of Shares to me/us; and

I/We acknowledge that returning the Application Form with the application monies will constitute my/our offer to subscribe for Shares in Kintore Resources Limited and that no notice of acceptance of the application will be provided.

**To meet the requirements of the Corporations Act 2001, this form must not be handed to any person unless it is Attached to or accompanied by the Prospectus dated 17 October 2008.**

### How to complete the Application form

Applications must be made on the Application Form attached to this Prospectus. Please complete all relevant parts of the Application Form using **Block Letters**.

- A Enter the NUMBER OF SHARES you wish to apply for. The application must be for a minimum of 10,000 Shares and thereafter in multiples of 1,000 Shares.
- B Enter the TOTAL AMOUNT of application money payable. To calculate the amount, multiply the number of Shares applied for by \$0.20.
- C Enter the FULL NAME(S) of all legal entities that are to be recorded as the registered holder(s). Use correct forms of registrable name (see below). Applications using the wrong form of name may be rejected.
- D Enter the POSTAL ADDRESS for all communications from the Company. Only one address can be recorded.
- E Enter a CONTACT NAME and TELEPHONE NUMBER(S) of a person the share registry can speak to regarding any queries they may have on the Application.
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Trusts <i>Use trustee(s) personal name(s), Do not use the name of the trust</i>	Michelle Jones <Michelle Jones Family A/C>	<i>Michelle Jones Family Trust</i>
Deceased Estates <i>Use executor(s) personal name(s)</i>	James Jones <Est James Jones A/C>	<i>Estate of late James Jones</i>
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Clubs/Incorporated Bodies/Business Names <i>Use office bearer(s) personal name(s), Do not use the names of the clubs etc.</i>	Michael Jones <BBB Cricket Association A/C>	<i>BBB Cricket Association</i>
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[kintorerresources.com.au](http://kintorerresources.com.au)

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