Valuation & Resource Management

INDEPENDENT VALUATION REPORT MENGAPUR PROJECT, MALAYSIA

Presented To:

Fortess Minerals Limited

fortress

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Contributors	Leesa Collin, Shaun Searle, Peter Rooke
Valuation Date	26 October 2020

Executive Summary

Fortress Minerals Ltd (Fortress or the Company) (SGX: OAJ) engaged Valuation and Resource Management Pty Ltd (VRM) to prepare an Independent Valuation Report (IVR or the Report) on the Mengapur Project (Mengapur or the Project) located in Malaysia. Fortress is acquiring the Project from Monument Mining Ltd (Monument) (TSX.V: MMY and FSE: D7Q1). VRM has not been requested to provide comment on the fairness and reasonableness of the proposed transaction.

Fortress signed a non-binding letter of intent (Agreement) with Monument in relation to the Mengapur Project on 22 July 2020. Fortress had 90 days for the Company to complete its due diligence and sign a definitive agreement. The period has been extended to 8 January 2021. The Definitive Agreement will still be subject to Fortress shareholder approval via an Extraordinary General Meeting (EGM) thereafter. Under Chapter 10 of the Singapore Exchange Securities Trading Limited (SGX-ST) Listing Manual Section B: Rules of Catalist (Catalist Rules), the acquisition of Mengapur is classified a major transaction for which pursuant to Catalist Rule 1014 (2), an Independent Qualified Person's Report (IQPR) and an IVR prepared by an independent qualified person must be included within a circular to shareholders. The Report is prepared in accordance with the requirements set out in Practice Note 4C of the Catalist Rules. VRM understands that PrimePartners Corporate Finance Pte Ltd (Prime Partners) acts as sponsor for Fortress.

This Report is a public document, in the format of an Independent Valuation Report (IVR) and is prepared in accordance with the guidelines of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets – The VALMIN Code (2015 edition) (VALMIN). The VALMIN Code incorporates the Australasian Code for Reporting of Exploration Targets, Mineral Resources and Ore Reserves – The JORC Code (2012 edition) (JORC). VRM understands that Fortress will include the Report within its circular to shareholders in relation to the proposed transaction. VRM consents to the inclusion of this Report in the circular in the form and context in which it appears.

In a separate report, VRM has prepared an IQPR in accordance with the guidelines of the JORC Code. The IQPR, includes an updated Mineral Resource estimates (MRE) and will be included in the circular to the shareholders of the Company. In the IQPR VRM describes the updated MRE and provides associated detailed technical information which is summarised in this IVR.

This Report is a technical review and valuation opinion of the Mengapur Project located in the Pahang State of Malaysia, 145 kilometres north east of Kuala Lumpur on the Malaysian Peninsular. Applying the principles of the VALMIN Code, VRM has used several valuation methods to determine the value for the project located on two tenements. The other mineral assets of Monument, such as the Selinsing and Murchison Gold Portfolios have not been reviewed or valued as part of this Report. Importantly, as neither the principal author nor VRM hold an Australian Financial Securities Licence (AFSL), this valuation is not a

valuation of Fortress or Monument but rather an asset valuation of the Mengapur Project which Fortress proposes to acquire from Monument.

This valuation is current as of 26 October 2020, being the date of the updated Mineral Resource estimates. As commodity prices, exchange rates and cost inputs fluctuate, this valuation is subject to change over time. The valuation derived by VRM is based on information provided by Monument and Fortress along with publicly available data including various stock and securities exchange releases including ASX, SGX-ST, TSX and published technical information. VRM has made reasonable endeavours to confirm the accuracy, validity and completeness of the technical data which forms the basis of this Report. The opinions and statements in this Report are given in good faith and under the belief that they are accurate and not false nor misleading. Unless otherwise described, VRM found no reason to doubt the accuracy or reliability of the information used to inform the IVR, but notes concerns expressed in the IQPR. VRM has made reasonable enquiries and exercised judgement on the reasonable use of such information. The default currency is United States dollars (USD$)(unless otherwise stated). As with all technical valuations the valuation included in this Report is the likely value of the mineral assets and not an absolute value. A range of likely values for the mineral assets is provided with that range indicating the accuracy of the valuation.

Mengapur Project

The Mengapur Project included in this Report is in the region of Maran, within the Pahang State of Malaysia. The Project is 100% owned by Monument through its holding company Monument Mengapur Sdn Bhd (MMSB) that in turn owns two tenements covering the Project. These tenements cover approximately 9.35 square kilometres (935.1 hectares) situated across two licences held by MMSB wholly owned subsidiaries Cermat Aman Sdn Bhd (CASB) and Star Destiny Sdn Bhd (SDSB). CASB owns mining lease ML8/2011 (application for renewal granted in October 2020) and SDSB owns prospecting licence SKC(H)1/2008 (application for renewal pending). VRM has estimated the value of the Mengapur tenements based on the technical information supporting the prospectivity of the licences on a 100% interest basis.

At the time when MMSB purchased CASB, the acquisition excluded the 'iron-oxide bearing free-digging red soils'. The CASB acquisition agreement divided access to the free-digging red-soils into three areas, with Areas A and B currently held by ZCM Minerals SDN BHD (ZCM) and Phoenix Lake SDN BHD (PLSB) respectively. Monument acquired the red-soil rights to Area C from CASB's previous owner Malaco Mining SDN BHD (Malaco) in February 2014. At this time MMSB negotiated a new agreement (the Harmonisation Agreement) with ZCM and PLSB pertaining to their access of the iron-oxide bearing free-digging red-soils.

Independent Consultant Ms Leesa Collin, Associate to VRM was commissioned by Fortress to update Mineral Resource estimates for the skarn-hosted iron-copper-gold±silver±sulphur (Fe-Cu-Au±Ag±S) mineralisation at Mengapur. Ms Collin has accepted the responsibilities of a Competent Person (CP) as

defined by the JORC Code (2012) in respect to the Mineral Resources with the associated IQPR being directly supervised by Ms Deborah Lord of VRM. These Mineral Resource estimates update Monument's 2018 Mineral Resource estimates (Snowden, 2018) to include magnetite resources and separate the copper resources into pyrrhotite-hosted and skarn-hosted domains.

The current copper and magnetite Mineral Resource estimate for the Mengapur Project is classified as Inferred Mineral Resources in accordance with the JORC Code (2012) on a qualitative basis, taking into consideration numerous factors, including data quality, geological complexity, data coverage, recovery testwork and potential economic extraction. The Mineral Resource estimates as at 26 October 2020 are summarised in Table ES-1 for both copper and magnetite. This work is reported in the associated IQPR.

There are no Ore Reserves or Mineral Reserves reported in accordance with the JORC Code (2012) guidelines at the Mengapur Project.

This Report documents the technical aspects of the Mengapur Project along with determining a valuation for the project, applying the principles and guidelines of the 2015 VALMIN Code.

Table ES-1 – Asset being acquired / Malaysia / Mengapur Project Summary of Mineral Resource estimates (26 October 2020). Copper estimates reported above a 0.5% Cu cut-off grade and Magnetite estimates reported above a 25% Fe cut-off grade

		Gross Attributable to Licences[1]						Net Attributable to Issuer[2]							
JORC Category	Mineral Type	Tonnes (millions)	Grade Fe (%)	Grade Cu (%)	Grade Au (g/t)	Grade Ag (g/t)	Grade S (%)	Tonnes (millions)	Grade Fe (%)	Grade Cu (%)	Grade Au (g/t)	Grade Ag (g/t)	Grade S (%)	Change from previous update (%)	Remarks
Mineral Resources*															
Inferred	Copper Skarn	8.63	20.07	0.64	0.08	13.90	2.54	8.63	20.07	0.64	0.08	13.90	2.54	N/A	3
	Copper Pyrrhotite	6.21	30.62	0.67	0.31	5.80	16.08	6.14	30.62	0.67	0.31	5.80	16.08	N/A	3
	Magnetite Massive	5.27	31.04	0.08	0.11	2.42	2.79	5.27	31.04	0.08	0.11	2.42	2.79	N/A	4
	Magnetite Brecciated	5.48	36.19	0.19	0.26	6.54	0.17	5.48	36.19	0.19	0.26	6.54	0.17	N/A	4
Total Inferred Copper		14.83	24.49	0.65	0.18	10.52	8.19	14.77	24.46	0.65	0.18	10.53	8.19	-22%	3
Total Inferred Magnetite		10.75	33.67	0.14	0.19	4.52	1.45	10.72	33.65	0.14	0.19	4.52	1.45	N/A	4

1 A portion of the resources within the CASB tenement are in the 'red free-digging' soils and are attributable to ZCN and PLSB

2 The Issuer is in the process of acquiring 100% of the Project

3 The copper Mineral Resources are reported above a 0.5% Cu cut-off. The copper Mineral Resources previously reported by Monument were current at June 2020. The total change from the previous update is calculated using copper metal in the skarn and pyrrhotite domains only.

4 The magnetite Mineral Resources are reported above a 25% Fe cut-off. The Competent Person is not aware of previous public magnetite resources reported for the Project.

* No Ore Reserves or Mineral Reserves stated. Mineral Resources that are not Ore Reserves or Mineral Reserves do not have demonstrated economic viability. The Mineral Resource is limited to within the CASB and SDSB boundaries. Some discrepancies may occur due to rounding.
Competent Person (CP): Leesa Collin – Independent Consultant – Associate to VRM, MAusIMM

Conclusions

The Mengapur Project covers 935 hectares with defined copper and magnetite Mineral Resource estimates. The deposit is a skarn-type developed within sedimentary host rocks at the contact zone with the Bukit Botak intrusion complex and other associated intrusive bodies.

Monument acquired the Project in February 2012 and undertook confirmation drilling and testwork to inform a Preliminary Economic Assessment (PEA) Study in 2014. Monument then acquired the Area C top-soil iron ore rights and stockpile and completed pilot plan testwork before the project was put under care and maintenance in 2015.

Subsequently Monument publicly reported the associated Mineral Resource estimates under NI43-101 Technical Report dated and filed on 29 October 2018 prepared by Snowden (2018). Based on the presence of the Mineral Resource estimates, Monument carried out preliminary economic assessments of the project, but no Ore Reserves were declared.

As part of its due diligence, Fortress assessed the Project for its magnetite potential updating the Mineral Resource estimates to include magnetite resources and separate the copper resources into pyrrhotite-hosted and skarn-hosted domains

The current Mineral Resource estimates have been valued by VRM applying several approaches as detailed within the body of this Report. In VRM's opinion, the Mineral Resource estimates have a market value of between USD$1.8 million and USD$6.9 million with a preferred valuation of USD$3.9 million on a 100% equity basis as summarised in Table ES-2.

Table ES-2 – Valuation Summary of Mengapur Project Copper and Magnetite Mineral Resources

Mengapur Project Mineral Resource Valuation Summary				
Valuation Technique	Report Section	Lower Valuation (USD$M)	Preferred Valuation (USD$M)	Upper Valuation (USD$M)
Comparable transactions MTR multiples	15.1	1.8	3.9	6.9
Yardstick approach (All Inferred Mineral Resources)	15.2	3.1	4.2	5.2
Preferred Valuation		1.8	3.9	6.9

Note Appropriate rounding has been applied.

In addition, the Mengapur site hosts plant and fixed equipment from when the project was previously in operation. The valuation was as a percentage of new costs, taking into consideration the apparent condition of the plant and equipment as evidenced in photos. On this basis VRM estimates that the value would be about USD$1 million maximum before refurbishment as summarised in Table ES-3. This would be subject to an inspection to determine whether the gearboxes, motors, bearings etc have had water damage and the extent of oxidisation of items such as conveyor belts and rubber lining. No comparable plant and equipment transactions were identified.

Table ES-3 - Summary of the Mengapur Project Plant and fixed Property

Mengapur Project Plant and Fixed Property Summary				
Plant / Property / Laboratory / Buildings	Report Section	Lower Valuation (USD$M)	Preferred Valuation (USD$M)	Upper Valuation (USD$M)
As above	10	0.2	0.5	1.0

In VRM's opinion, the mineral assets (including Mineral Resource estimates and Plant / Fixed Property) known as the Mengapur Project in Pahang State, Malaysia have a market value of between USD$2.0 million and USD$7.9 million with a preferred valuation of USD$4.4 million on a 100% equity basis.

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1. Introduction

Valuation and Resource Management Pty Ltd (VRM), was engaged by Fortress Minerals Ltd (Fortress) (SGX: OAJ) to undertake an Independent Valuation Report (IVR or the Report) on the Mengapur Project (Mengapur or the Project) located in Malaysia in accordance with the Catalist Rules of the SGX-ST. Fortress is proposing to acquire the Project from Monument Mining Ltd (Monument) (TSX.V: MMY and FSE: D7Q1).

VRM understands that on 22 July 2020 Fortress signed a non-binding letter of intent (Agreement) with Monument in relation to the Mengapur Project acquisition. Under Chapter 10 of the Singapore Exchange Securities Trading Limited (SGX-ST) Listing Manual Section B: Rules of Catalist (Catalist Rules), the acquisition of Mengapur is classified a major transaction for Fortress which pursuant to Catalist Rule 1014 (2), an IVR prepared by an independent qualified person must be included within a circular to shareholders. VRM understands that PrimePartners Corporate Finance Pte Ltd (Prime Partners) acts as sponsor for Fortress. VRM consents to the inclusion of this Report in the circular in the form and context in which it appears.

1.1. Independent Qualified Person's Statement

This Report was prepared by VRM based in Perth, Western Australia whose registered address is: Valuation and Resource Management Pty Ltd, Unit 5, 15 Carbon Court, Osborne Park, WA 6017 Australia.

In accordance with the SGX Catalist Rules:

- The qualified person who has responsibility for this IVR is Ms Deborah Lord, Director and Principal of VRM and the primary author.
- The IVR was peer reviewed by Mr Paul Dunbar, Director and Principal of VRM.
- VRM used the expertise of Associate Consultant Ms Leesa Collin, who was engaged by Fortress as a Specialist to update the Mineral Resource estimates and by VRM to prepare the associated Independent Qualified Person's Report (IQPR).
- VRM used the expertise of Associate Consultant Mr Peter Rooke of Dalesford Pty Ltd as a Specialist to undertake the valuation of the plant and fixed property.
- Ms Lord, Mr Dunbar, Mr Rooke and Ms Collin, VRM and its partners, directors, substantial shareholders and their associates are independent of Fortress and Monument, the companies' Directors and substantial shareholders, their advisors and their associates.
- Ms Lord, Mr Dunbar and Mr Rooke, VRM and its partners, directors, substantial shareholders have not had any association with Fortress or Monument, their individual employees, or any interest, direct or indirect, in Fortress or Monument, their subsidiaries or associated companies, and will not be receiving any benefits (direct or indirect) other than remuneration paid to VRM in connection with this Report.
- Ms Collin, while in the employment of SRK Consulting (Australasia) Pty Ltd (SRK) was previously renumerated by Fortress for the preparation of an IQPR attached to Fortress's Public Offer Document (POD). The POD, dated 19 March 2019, was prepared in support of the Company's listing on the Catalist, the secondary board of the Singapore Stock Exchange (SGX). In April 2019

and February 2020, Ms Collin, while in the employment of SRK, received renumeration from Fortress for updates of the Bukit Besi magnetite Mineral Resource estimate. Apart from these two associations, Ms Collin has not had any association with Fortress or Monument, their individual employees, or any interest, direct or indirect, in Fortress or Monument, their subsidiaries or associated companies, and will not be receiving any benefits (direct or indirect) other than remuneration paid to her in connection with the IQPR.

- Neither VRM, Ms Lord nor Mr Dunbar hold an Australian Financial Services Licence (AFSL) and the valuation contained within this Report is limited to a valuation of the mineral assets being reviewed.
- VRM will be paid a fee for this work based on standard commercial rates for professional services. The fee is not contingent on the results of this review and is estimated to be AUS$50,000 plus GST.

Further details on Ms Lord, Mr Dunbar, Mr Rooke and Ms Collin are as follows:

Ms Deborah Lord, BSc (Hons), is a Geologist with 30 years of experience and is a fellow of the of the Australasian Institute of Mining and Metallurgy (AusIMM) and a member of the Australian Institute of Geoscientists (AIG). Ms Lord is a Director of VRM and has sufficient experience, which is relevant to the style of mineralisation, geology and type of deposit under consideration and to the activity being undertaken to qualify as a competent person under the 2012 edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (the 2012 JORC Code) and a specialist under the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (the 2015 VALMIN Code). Ms Lord consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

Mr Paul Dunbar, BSc (Hons), MSc (Minex), is a Geologist with 25 years of experience and is a member of the AusIMM and the AIG. Mr Dunbar is a Director of VRM and has sufficient experience, which is relevant to the style of mineralisation, geology and type of deposit under consideration and to the activity being undertaken to qualify as a competent person under the 2012 JORC Code and a specialist under the 2015 VALMIN Code. Mr Dunbar consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

Mr Peter Rooke has approximately 50 years of experience in estimating the capital and operating costs for mineral processing plants including plant relations and refurbishments. Mr Rooke is a Director of Dalesford Pty Ltd and consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

Ms Leesa Collin, BAppSc (Geophysics), Grad Dip (Applied Geology), is a Geologist with 22 years of experience and is a member of the AusIMM. Ms Collin is an independent consultant and has sufficient experience which is relevant to the style of mineralisation, geology and type of deposit under consideration and to the activity being undertaken to qualify as a competent person as defined in the 2012 JORC Code. Ms Collin is an Associate Consultant of VRM but engaged by Fortress as a Specialist to assess the historical data and update the Mineral Resource estimates to include magnetite resources. Ms Collin

consents to the inclusion in this report of these matters based on information in the form and context in which it appears.

1.2. Aim of the Report

VRM understands that the objective of this study is to:

- Provide an Independent Valuation Report (IVR or the Report) on the Mengapur Project as at 26 October 2020.

VRM has prepared an Independent Valuation of the Mengapur Project in Malaysia. VRM understands that its assessments and valuations will be relied upon and appended to a Fortress shareholders' circular for shareholders' consideration as to whether to proceed with the investment. As such, it is understood that VRM's Report will be a public document.

VRM has estimated the value of the licences based on the technical information supporting the prospectivity of the licences on a 100% interest basis to determine a market value for the licences as at 26 October 2020. VRM has selected the most appropriate valuation technique for the Project based on the maturity of the Project and available information. This Report expresses an opinion regarding the value of the Project but does not comment on the 'fairness and reasonableness' of any potential transaction between the owners of the mineral assets and any other parties.

Between 26 October 2020 and the date of this Report, nothing has come to the attention of VRM that would cause any material change to the conclusions.

1.3. Scope of Work

VRM's primary obligation in preparing mineral asset reports is to independently describe the mineral project applying the guidelines of the JORC and VALMIN Codes. These require that the Report contains all the relevant information at the date of disclosure, which investors and their professional advisors would reasonably require in making a reasoned and balanced judgement regarding the project.

This Report is a summary of the work conducted, completed and reported by the various explorers as at 26 October 2020 based on information supplied to VRM by Monument and Fortress and other information sourced in the public domain, to the extent required by the VALMIN and JORC Codes.

The Report is prepared in accordance with the requirements set out in Practice Note 4C of the Catalist Rules and presents the following information:

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- Introduction

- Property description
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- Exploration data
- Mineral processing and metallurgical testing
- Resource and reserve estimates and exploration results
- Planned extraction methods
- Financial analysis of the operations
- Plant and fixed property
- Interpretation and conclusions
- Valuation Standard
- Valuation assumptions
- Valuation approach
- Mengapur Valuation
- Risks and opportunities
- Preferred valuation

1.4. Basis of the Report

All information and conclusions within this report are based on information made available to VRM to assist with this report by Monument and Fortress and other relevant publicly available data as at 26 October 2020. Reference has been made to other sources of information, published and unpublished, including government reports and reports prepared by previous interested parties and Joint Venturers to the areas, where it has been considered necessary.

VRM has, as far as possible and making all reasonable enquiries, attempted to confirm the authenticity and completeness of the technical data used in the preparation of this Report and to ensure that it had access to all relevant technical information. VRM has relied on the information contained within the reports, articles and databases provided by Monument and Fortress as detailed in the reference list. A draft of this Report was provided to Fortress, to identify and address any factual errors or omissions prior to finalisation of the Report. The valuation sections of the Report were not provided to Fortress until the technical aspects were validated and the Report was declared final.

Ms Lord, the author of this report is not qualified to provide extensive commentary on the legal aspects of the mineral properties or the compliance with the legislative environment and permitting in Malaysia. In relation to the tenement standing, VRM has relied on the documentation of the Competent Person for Mineral Resources and associated supporting resources reports. VRM also requested a tenement report to confirm the currency of the licences as at the valuation date of 26 October 2020.

1.5. Compliance with the JORC and VALMIN Codes

The IVR is prepared applying the guidelines and principles of the 2015 VALMIN Code and the 2012 JORC Code. Both industry codes are mandatory for all members of the AusIMM and the AIG. These codes are also requirements under Australian Securities and Investments Commission (ASIC) rules and guidelines and the listing rules of the Australian Securities Exchange (ASX).

This IVR is considered equivalent standard to an Independent Technical Assessment and valuation report (ITAR) which is a Public Report as described in the VALMIN Code (Clause 5) and the JORC Code (Clause 9). It is based on, and fairly reflects, the information and supporting documentation provided by Monument and Fortress and associated Competent / Qualified Persons as referenced in this IVR and additional publicly available information.

No specific site visit has occurred as a part of this Report or valuation. At the time of preparing this Report, travel restrictions due to the global COVID-19 pandemic limits domestic and international travel returning to Western Australia. VRM has relied on the site visit of the previous Qualified Person for the historical Snowden (2018) Mineral Resource estimates as described in the body of this Report and has assessed that a site visit would not have a material impact on the valuation.

2. Property Description

The mineral assets in this valuation are contained within the Mengapur Project (Mengapur or Tenements), held 100% by Monument through its wholly owned subsidiary MMSB that in turn holds tenements and tenement applications through CASB and SDSB. These licences consisting of mining lease ML8/2011 (CASB) and prospecting licence SKC(H)1/2008 (SDSB) cover the Mengapur zone of Fe-Cu-Au±Ag±S mineralisation. The location of the Tenements is approximately 145 kilometres from the Malaysian capital of Kuala Lumpur and 75 kilometres west from Kuantan the capital city of Pahang State (Figure 1).

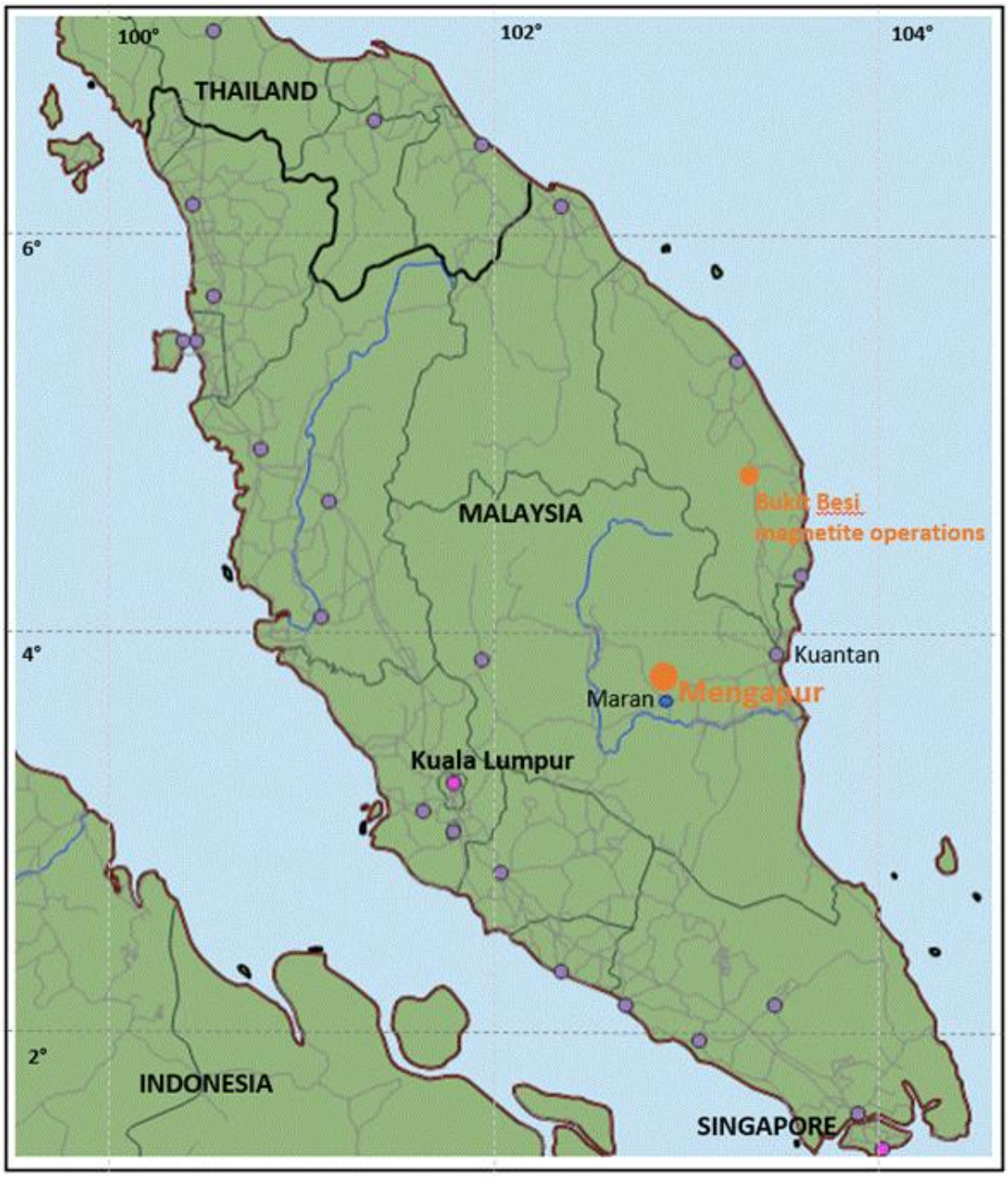


Figure 1 – Location of the Mengapur Project on the Malaysian Peninsular in relation to the capital Kuala Lumpur

2.1. Land holdings and tenure

The Project is currently 100% owned by Monument through its holding company Monument Mengapur Sdn Bhd (MMSB) that in turn owns two tenements covering the Project (Table 1). These tenements cover approximately 9.35 square kilometres (935.1 hectares) situated across two licences held by MMSB wholly owned subsidiaries Cermat Aman Sdn Bhd (CASB) and Star Destiny Sdn Bhd (SDSB). CASB owns mining lease ML8/2011 (application for renewal in June 2019) and SDSB owns exploration permit SKC(H)1/2008 (issued for term of four years, application for renewal pending).

Subject to shareholder approval, Fortress is acquiring 100% of the Mengapur Project from Monument.

Table 1 - Mengapur Project Summary Table of Assets

Asset name/Country	Issuer's interest (%)	Development Status	Licence expiry date	Licence Area (ha)	Type of mineral deposit	Remarks
ML8/2011 Mengapur / Malaysia	100 via CASB	Development	31/05/2025	185.1	Fe-Cu-Au±Ag±S	See below
SKC(H)1/2008 Mengapur / Malaysia	100 via SDSB	Development	23/09/2012*	750	Fe-Cu-Au±Ag±S	See below

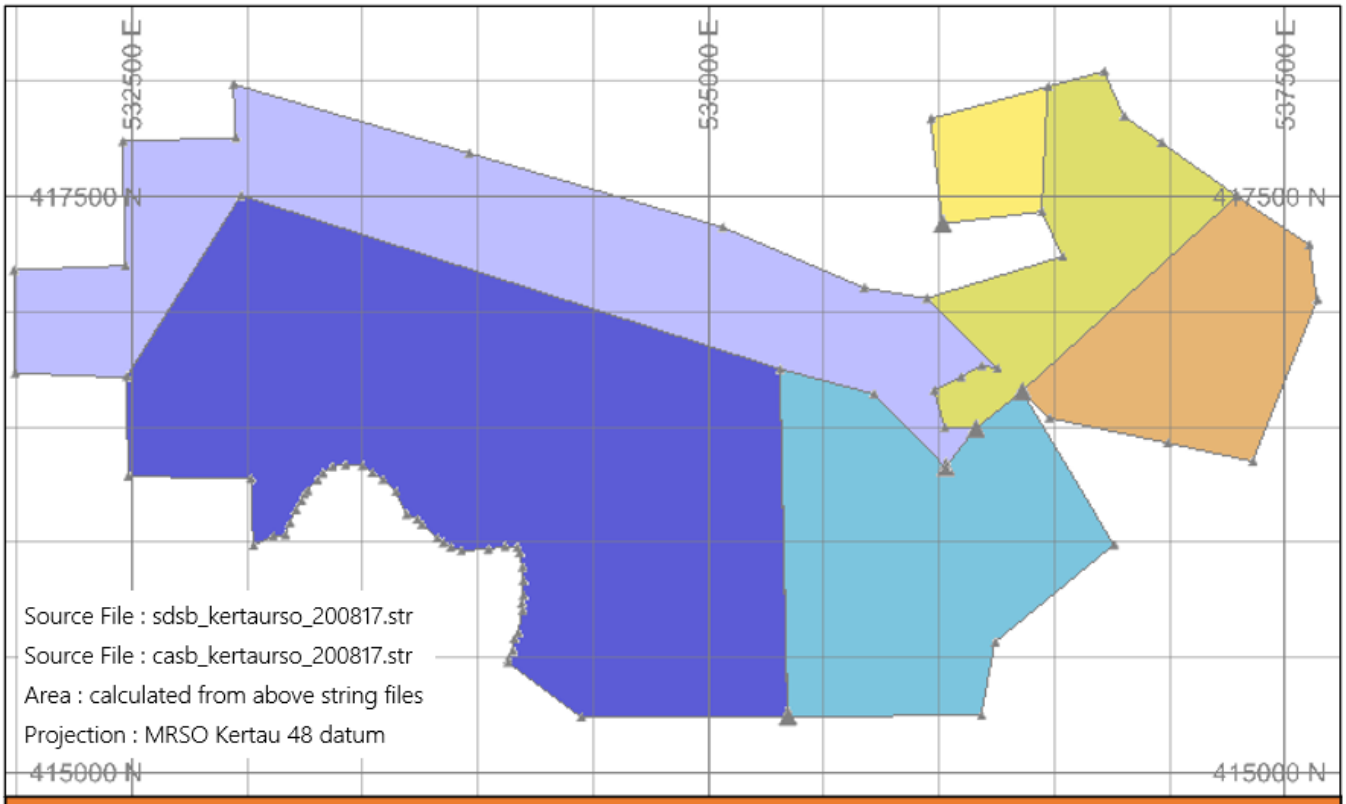
*VRM understands that SKC(H)1/2008 is pending approval for renewal

VRM requested that tenure status be confirmed as part of the Report. Fortress engaged Azman Davidson & Co (Azman Davidson) to undertake this review as part of its due diligence process. Azman Davidson noted it had not been instructed to prepare a specific legal opinion on the mining tenements, but made the following findings in relation to the due diligence:

- Mining Lease No. ML8/2011 for Lot 10210, Mengapur, Mukim Hulu Lepar, Daerah Kuantan, Pahang (around 185.1 hectare) ('Lot 10210') was issued on 1 June 2011 in favour of CASB for a period of five years. The lease was subsequently renewed for a further period of two years, twice and had subsequently expired on 31 May 2020. An application for the renewal of the Mining Lease was made to Pahang Land and Mine Office (PTG) on 28 June 2019, which was approved for renewal for a period of five years in October 2020, retrospective to May 2020.
- Prior to issuance of ML8/2011, CASB was operating mining activities on Lot 10210 under Mining Certificate No. 1/2006 for a period between 1 June 2006 to 31 May 2011.
- An approval for the exploration license for Bukit Mengapur, Mukim Ulu Lepar, Daerah Kuantan, Pahang (750 hectare) was granted to SDSB by PTG on 22 February 2008 for a period of four years. The approval was given subject to payment of certain fees.
- A permit No. SKC(H) No. 1/2008 (permit for excavation in reserved forest) for Compartment 110, part of Compartment 108,109,112 and 111 of around 750 hectares was issued by Department of Forestry, Pahang in favour of SDSB. The permit expired on 23 September 2012. Any extension of the permit is made one month before the expiry date.
- On 9 November 2010, PTG had received an application for a Mining Lease (Iron Ore) for 202.35 hectares at Bukit Mengapur Mukim Hulu Lepar, Daerah Kuantan from SDSB.

- On 9 September 2012, PTG had received another application for a Mining Lease (Iron Ore, copper and gold) for 380 hectares at Bukit Mengapur Mukim Hulu Lepar, Daerah Kuantan from SDSB.
- Azman Davidson also sighted an application form for renewal of exploration license SKC(H) 1/2008 on 1 November 2011 and another subsequent application form (undated but signed on 20 July 2012) to renew the same license.
- As at 14 September 2020 Azman Davidson informed VRM that Monument had advised that all applications noted above are being processed by the state government.

Monument provided updated tenement boundary files on 18 August 2020 (per comms Zaidi Harun, Monument). Figure 2 illustrates these boundaries and their calculated areas. Note the totals of the calculated areas for each tenement listed in Figure 2 (CASB = 184.6 ha, SDSB = 742.3 ha) do not match the tenement areas listed previously in Table 1 (CASB = 185.1 ha, SDSB = 750 ha).



Color	PTG Filename	Owner	Status	Area (Ha)	Ten_Code
	ML8/2011	Cermat Aman SB	Approved	23.5	111
		Cermat Aman SB	Approved	78.8	112
		Cermat Aman SB	Approved	82.3	113
	PTG PHG (ML) 16/015/04/09/2010	Star Destiny SB	Pending	151.5	211
	PTG PHG (ML) 16/015/04/04/2009	Star Destiny SB	Pending	214.8	212
	PTG PHG (ML) 16/015/04/07/2012	Star Destiny SB	Pending	375.0	213

Figure 2 – Location of the Mengapur Project tenements, showing the CASB licence in yellows and the SDSB application areas in blues

Regarding the CASB tenement, Snowden (2018) reported that there were no encumbrances, mortgages, charges, liens or other interests and / or prohibitory orders registered on or against ML8/2011 based on a legal opinion obtained at that time. Monument acquired 100% of this licence from Malaco Mining Sdn Bhd (Malaco) excluding free-digging oxide magnetite minerals in the top soil, divided into Area A, Area B and Area C (Malaco interest) (Figure 3). In 2012 MMSB and its subsidiary CASB entered a harmonization agreement with third parties Phoenix Lake Sdn Bhd (PLSB) and ZCM Minerals Sdn Bhd (ZCM) whereby these third parties have exclusive rights to assess and mine near-surface free-digging oxide magnetite contained in the topsoil at Area A. Such rights are not transferrable without consent from MMSB and CASB, and CASB retains the right to protect its other mineral assets in the topsoil and continue developing access to its resources. In 2014 Monument acquired 100% of the Malaco interest in Area C and approximately 1.2Mt of stockpiled iron oxide material.

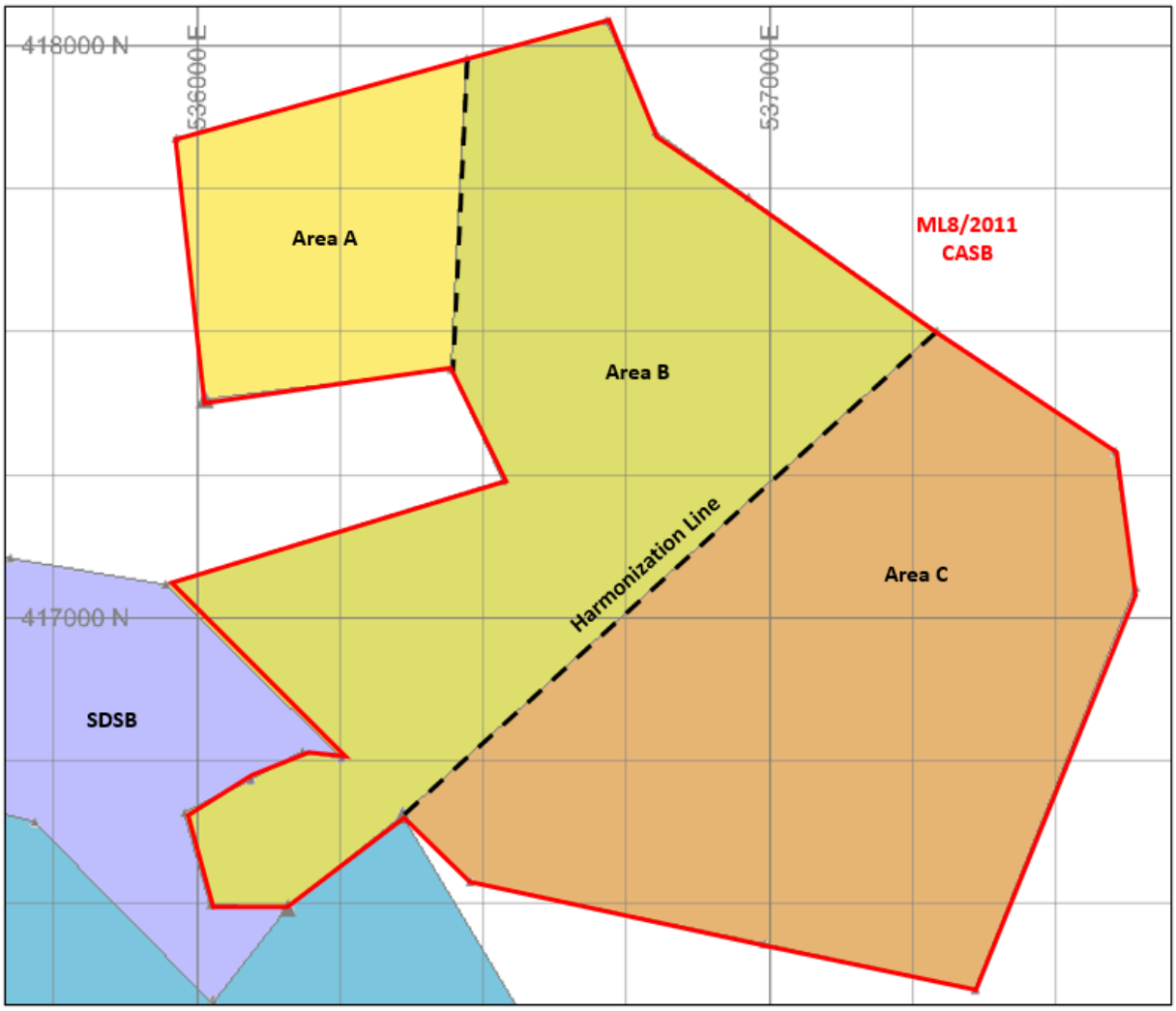


Figure 3 – Location of Area A and Area B northwest of the 'harmonization' line in ML8/2011

With respect to the SDSB licence SKC(H)1/2008 this was registered in 2008 for a period of four years. Monument acquired the tenement in 2011 and a valid application was filed with the Pahang Forest Department for extension of tenure. Snowden (2018) reported that there were no legal impediments to

grant and that there were no encumbrances, mortgages, charges, liens or other interests and / or prohibitory orders registered on or against SKC(H)1/2008 based on a legal opinion obtained at that time.

The authors of this report are not qualified to provide extensive commentary on the legal aspects of the mineral properties or the compliance with the relevant laws governing mining within Malaysia. VRM has requested specialist assistance to confirm the validity of the tenements and sighted various documents as noted above. As VRM and the authors of this report are not experts in this area, no warranty or guarantee, be it expressed or implied, is made by the authors with respect to the completeness or accuracy of the legal aspects regarding the security of the tenure. VRM has made reasonable enquiries and exercised its judgement on the reasonable use of this information and has found no reason to doubt the accuracy or reliability of the information, but notes that a number of applications have not yet been processed in relation to licence SKC(H)1/2008.

2.2. Royalties

Prior to June 2015, mining leases in Malaysia are reported by Snowden (2018) to have an associated five percent gross revenue royalty payable to the Malaysian government. In June 2015, the Pahang state government introduced a new royalty rate for gold, tin, bauxite and iron ore of ten percent applicable to any tenements granted or renewed after this time, but copper, silver and other metals remained subject to the five percent rate.

Under the terms of the 2011 purchase agreement CASB committed to pay Malaco USD$7/t of primary iron ore in the skarn extracted on a free-on-board basis. The 2014 acquisition of the Malaco interest included a profit-sharing arrangement whereby Malaco will receive a share of profit up to USD$5/t of Area C marketable grade magnetite delivered and sold by CASB at the Kuantan Port.

2.2. Environmental Liabilities

Prior to Monument's involvement in 2011, the previous owner operated the Project guided by an approved environmental impact assessment plan. At that time, a gap analysis was conducted by Monument and modified practices were introduced accordingly.

While in operation, sampling and monitoring of key environmental parameters were conducted and reported monthly to the Department of Environment (DoE). When the Project was placed on care and maintenance in 2015, the DoE agreed to reduced sampling on a quarterly basis that is audited by a third party. Based on Snowden's (2018) report, current management and mitigation works focus on erosion control, desilting of sedimentation ponds, hydro-seeding and planting of vegetation on non-active slopes.

2.3. Accessibility

The Mengapur Project is located approximately 145 kilometres north east of Kuala Lumpur and 75 kilometres west from Kuantan. Access to the exploration properties is via Kuatan (population 517,000) and

via dirt road from Seri Jaya. The largest nearby town of Maran is approximately 20 kilometres south of Mengapur.

Topography is hilly to mountainous comprising of limestone karst terrain surrounding outcropping adamellite intrusive summits. Relief ranges from 350m above sea level in the valleys and up to 510m at mountain tops. The Project area is covered by secondary jungle, adjacent to a forest reserve to the north and south east and palm oil plantations to the east.

3. History of the Property

The Mengapur Project was discovered in 1979/80 by the Geological Survey of Malaysia when twelve diamond drill holes were completed to follow-up a previous regional geochemical survey of north Pahang. Subsequent exploration, under an agreement between the Government of Pahang and the Malaysia Mining Corporation Berhad (MMC) was conducted from 1983 to 1988. The first resources and reserves were estimated in 1990 under previous classification guidelines which are now considered historical in nature. MMC completed feasibility studies but did not pursue development of the project and the land reverted to the Government of Pahang after 1993.

Four main phases of diamond drilling were carried out to support the 1990 studies. Phase 1 comprised 49 holes for 17,254m at spacing between 140 and 200m supported by gravity and magnetic surveys to identify conductive targets. Phase 2 consisted of 42 holes for 17,174m aimed at intersecting the mineralisation at optimal angles and at depth. Coincident mapping and soil sampling were conducted along with magnetic and electromagnetic (EM) surveys to examine a 10km^2 area and infer the orientation of the sulphide zone. Phase 3 included 74 holes for 17,298m to infill to 70m and 100m drill spacing and Phase 4 involved 33 holes in higher grade areas and eight geotechnical oriented holes for an additional 9,326m (total 221 holes, 61,052m). Initial metallurgical test work was also conducted at this time.

Copper and iron production occurred at Mengapur after the 1990 studies and a 500,000 tonne per annum (tpa) flotation plant was constructed on site from 2005 to 2007. Snowden (2011) reports that total copper production from sulphide-rich skarn rock included 250t of copper ore (grading 8 to 18% Cu) from 2008 to 2009 as well as iron ore production from 2010 to 2011. Some issues were encountered with the copper production as the final product did not achieve marketable copper grades. This material was not processed for iron and some was stockpiled for future processing. The iron production included 26,693t of iron ore to produce 3,168t of iron (magnetite fines) at an average grade of 63% Fe (with 3 to 4% S) and an additional 24,996t of iron ore lump material at an average grade of 42% Fe by crushing (Snowden, 2011). Oxidised materials were also mined during this time, with total Fe production from 2010 to 2011 of 2,556,479t mined from two open pits on the Malaco land and transported off-site for processing at another (third-party) facility. Historical pyrrhotite mineral resources and ore reserves are reported within Snowden (2012) but are not considered current.

CASB acquired the lease prior to 2005 and on 5 July 2005, Malaco, a wholly owned subsidiary of Sumatec Resources Bhd (Sumatec) initially purchased 58% of CASB and then went on to acquire the remaining 42%. Malaco purchased a ball mill and flotation plant from Benambra, in Victoria Australia which was dismantled and sent to Malaysia. Problems were initially encountered, and modifications made to address these. The plant ran intermittently until mid-2009 when production ceased due to limited operating funds (Snowden, 2011). In 2010, the circuit was modified to produce iron ore lump material and minus 10mm feed for the iron plant which continued until mid-2011, before being placed on care and maintenance.

Monument acquired the Mengapur Project in November 2011, initially the SDSB prospecting licence and in 2012 a 100% interest in CASB, resulting in 100% ownership of the Project. During the period from 2011 to 2014 Monument drilled 275 holes, comprising a combination of diamond core and reverse circulation (RC) drilling for 52,738m. Disputes arose in the 2012 iron ore operations resulting in the establishment of the harmonisation agreement late in that year. Iron ore mining production continued in 2012 to 2014 along with an initial refurbishment of the existing copper flotation plant in 2013, intended to produce copper concentrate and a magnetite product. An on-site laboratory was also built at this time with SGS Malaysia contracted to manage and operate the 2,000 samples per month facility. A metallurgical test laboratory was also established.

Development of the project was placed on care and maintenance in 2015 when Monument's focus shifted to gold. The analytical and metallurgical testwork laboratory ceased operating in March 2017 and is also currently on care and maintenance.

In 2018 a Mineral Resource estimate was conducted by Snowden Mining Consultants (Snowden) for MMSB which was reported in compliance with the National Instrument 43-101 (NI 43-101) reporting standard. VRM understands that no further drilling has been conducted at Mengapur and the 2018 Mineral Resource estimate remained current as at 30 June 2020 (Monument, 2020).

4. Geological and Geophysical Setting

The Mengapur Project is in the Central Belt of the Malaysian Peninsular that has long been recognised as an important 'gold' belt. Peninsular Malaysia is part of the east Eurasian tectonic Plate and located to the north of the active Sunda arc and Ariffin (2012) suggests that rifting along the north east margin of the ancient Gondwana landmass in the Late Permian to Late Triassic was associated with formation of this belt.

The Central Belt is dominated by Permo-Triassic low-grade metasediments, marine and clastic sediments, and limestone with abundant volcanic and volcaniclastic units deposited in a paleo-arc basin. The Mengapur deposit is located on the eastern side of the Central Belt within Permian limestone, volcanic and metasedimentary units (Seri Jaya beds) which have been intruded by Triassic Bukit Botak granodiorite. The Seri Jaya beds consist of the calcareous Mengapur limestone and the older argillaceous facies that is predominantly shale. The Mengapur limestone comprises massively bedded and strongly jointed marble units with lesser calcareous graphitic slate, graphitic and non-graphitic phyllite and schist (Heng et al., 2003).

Mineralisation in the Central Belt is generally classified as mesothermal lode gold deposits due to the tectonic and geological setting (Ariffin, 2012), but locally a range of deposit styles form depending on the host rock setting and depth of formation. The Mengapur copper deposit is considered a typical Cu-Fe-Au distal skarn deposit. Studies have shown mineralisation is a contact-metasomatic 'skarn type' which corresponds to the extensive contact metamorphic rocks formed within the calcareous sediments surrounding the Bukit Botak granitoid intrusion. Mineralisation occurs within hydrothermal quartz and carbonate veins intersecting the skarn aureole (Ariffin, 2012). The skarn rocks comprise both garnet and pyroxene rich types with gold mineralisation preferentially associated with the latter. Gold is associated with bismuth and occurs both in the pyroxene rich skarn and the hydrothermal veins.

The skarn assemblage comprises a wide variety of minerals. Within the skarn rocks, the major species are pyrrhotite, magnetite, chalcopyrite and arsenopyrite, while the vein assemblages include pyrite, chalcopyrite, pyrrhotite, chalcocite, covellite, digenite, galena, sphalerite, molybdenite, bismuth, arsenopyrite, stibnite, boulangerite, scheelite and gold. Pyrrhotite is the major ore mineral occurring in the skarn as massive accumulations. Magnetite is also common and typically occurs in the skarn rocks associated with pyrrhotite. Chalcopyrite is the main copper mineral which occurs in both skarn and veins as solid masses and as veinlets and disseminated grains associated with other sulphide minerals. The host rock limestone and shale are usually devoid of significant mineralisation.

Internal Monument reports note that while mineralisation follows the outline of the intrusive, a marked concentration is present within a crescent shaped belt within the eastern and south east portions. The adamellite and associated rhyolite capping are generally poorly mineralised although some copper, silver and molybdenum values occur at the intrusive margin. Mineralisation in the skarn is generally pervasive and economically the most important.

The regional geology of the Mengapur area is shown in Figure 4, with dark grey zones noting the areas of high magnetic anomalism.

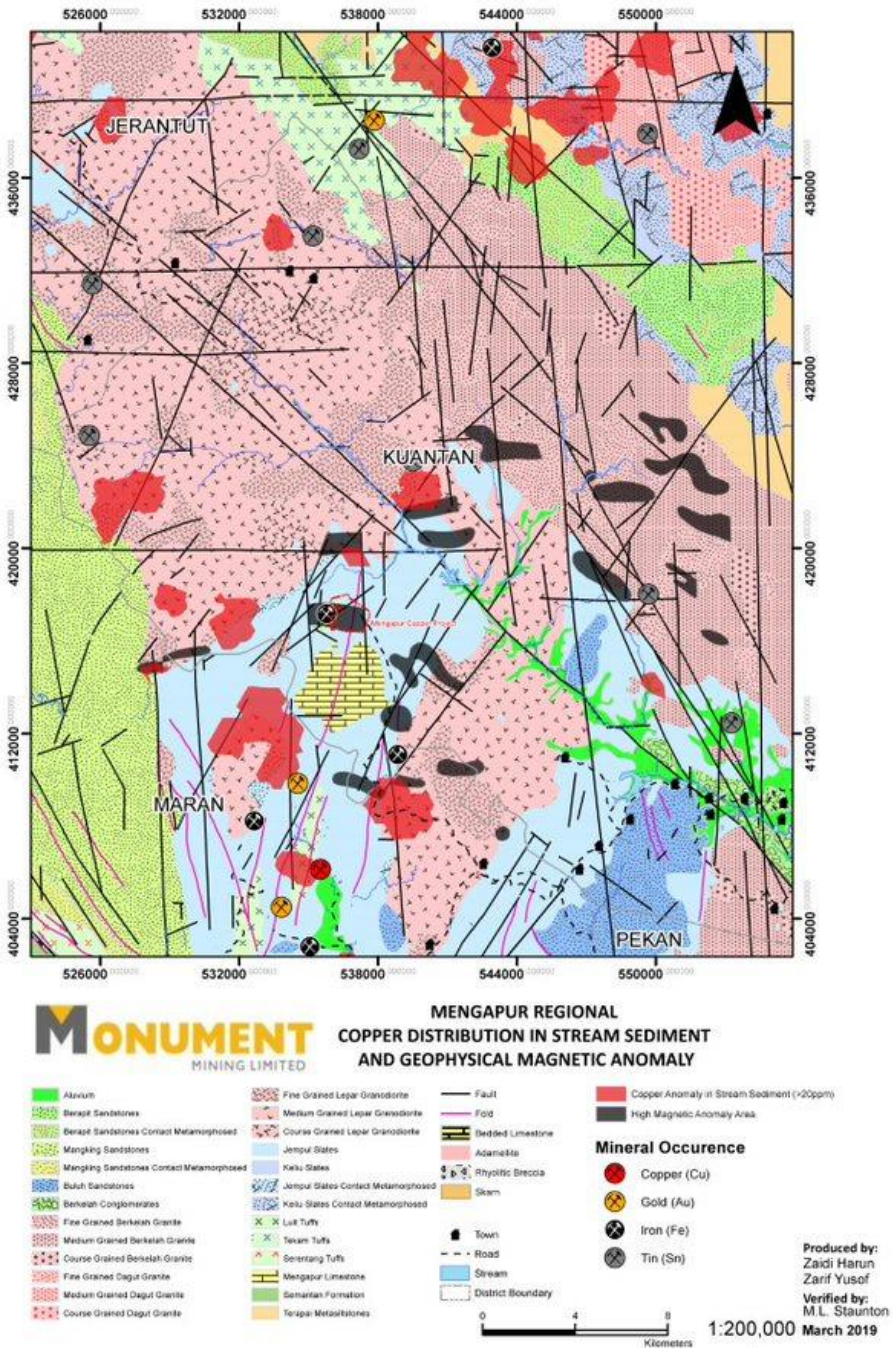


Figure 4 – Regional geology of the Mengapur Project south of Kuantan showing mineral occurrences and geochemical and geophysical anomalies (Source Monument, 2019)

Local geology at Mengapur is dominated by the Permian Seri Jaya beds, consisting of Jempul slates and the Mengapur limestones, which along with the Luit tuffs, unconformably overlie the interbedded argillaceous, calcareous and volcanic rocks of the Kambing beds. In turn the Seri Jaya beds are unconformably overlain by the Buluh sandstones, the Tekam and Serentang tuffs and the Semantam Formation. Three phases of igneous intrusions occur in the region.

The Mengapur limestones are typically massive and fossiliferous and / or interbedded and can be divided into calcareous facies and argillaceous facies. The sedimentary units strike north northeast and dip steeply to the east southeast at 45 to 85 degrees. The local geology in shown in Figure 5 and a schematic section depicted in Figure 6. The reader is referred to Section 4 of the VRM Independent Qualified Person's Report (IQPR) for further information on deposit mineralisation.

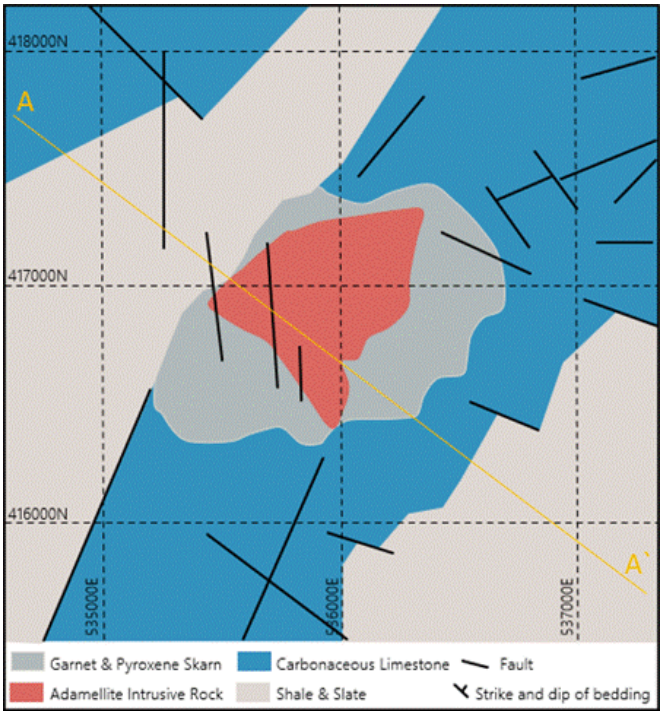


Figure 5 – Schematic local geology of the Mengapur Project with the position of cross section shown in Figure 6 (adapted from Normet, 1990)

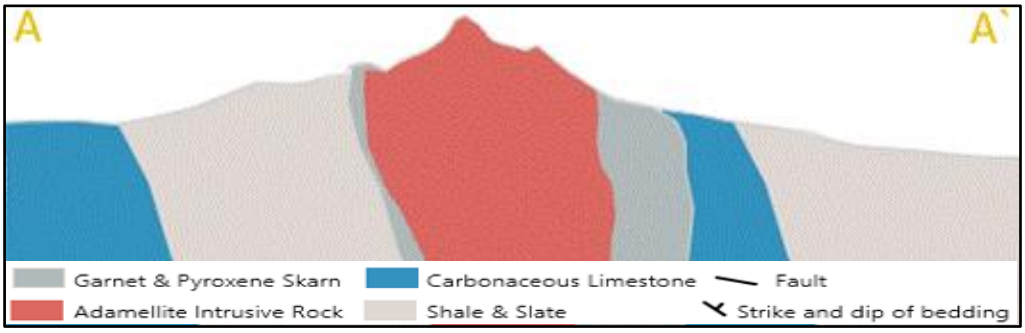


Figure 6 – Schematic cross section of the Mengapur Project the copper mineralisation is within and adjacent to the skarn(adapted from Normet, 1990)

5. Exploration Data

5.1. Drilling and Sampling

Most of the drilling conducted at the Mengapur deposit was completed in two phases: (i) MMC drilling in the 1980's and (ii) MMSB drilling between 2011 and 2014. A total of 112,048m of exploration drilling has been completed to the current date and is predominantly diamond core (DD) drilling with minor reverse circulation (RC, 7,942m) completed by MMSB.

Drilling conducted before 1990 comprises of 59,310m, or 53% of the total drilled metres and MMC completed the majority in the 1980's. No details for the procedures or quality of sampling were available for this data; however, it is noted that most DD samples were obtained at 3m intervals. Snowden (2018) notes that the MMC core storage building was reportedly burned to the ground in 2005; therefore, no historical core is available for viewing or re-sampling.

Drilling conducted between 2011 and 2014 by MMSB comprises 52,738m. The RC drilling was mainly within the near-surface oxide zone using a 133mm diameter drill bit with face sampling hammer. MMSB primarily used the RC drilling as a pre-collar for a DD tail. RC drilling was generally dry, with minor water injection used in the drilling process if necessary. RC samples were collected at 1m intervals from a cyclone connected to the sample hose. To produce smaller sample splits, the RC samples was split with a riffle splitter into four ports: 50%, 25% and two times 12.5% portions. The samples utilised for assaying depended on the overall sample size.

MMSB DD drilling was predominantly HQ3 diameter core, unless drilling conditions required the smaller NQ diameter bit. The core was pulled at 1.5 or 3m runs. The core was sawn in half with a diamond core saw with the sample placed into a calico bag and sent for analysis. Sample lengths were variable and generally ranged between 2m and 4m, with most sampling conducted at approximately 3m intervals.

5.2. Sample Preparation and Analysis

Monument did not supply the sample preparation and analysis processes for historical drilling, and Snowden (2018) notes the previous operators did not document them in the records they assessed between 2012 and 2018.

MMSB samples were prepared and analysed by four commercial laboratories: Inspectorate (Richmond, Canada), ACME (Vancouver, Canada), SGS-Malaysia (Port Klang and Bau) and SGS-Mengapur (on-site near Sri Jaya, Malaysia).

Sample preparation methods were similar at all laboratories and involved:

- Drying of sample for less than 24 hours at generally <105°C;
- Crushing with jaw crushers to >70% passing 2mm;
- Pulverising a 250g to 2kg (average 1kg) riffle split subsample to greater than 85% passing 75µm; and
- Generating multiple pulp samples for assaying, metallurgical test work and storage.

MMC Laboratory Services, at Batu Caves near Kuala Lumpur, analysed the historical drill core samples. Assays for Cu, Pb, Zn, Ag, As, Mo and Bi were carried out using Atomic Absorption Spectrometry (AAS). Gold analysis was completed using fire assay with AAS finish. The sulphur analysis was not conducted until November 1989 using X-Ray Fluorescence (XRF). Historical samples were not analysed for Fe.

The 2011 and some of the 2012 sample pulps were initially submitted to the Inspectorate (Richmond, Canada) laboratory for 50-element Inductively Coupled Plasma Mass Spectrometry (ICP-MS) analysis using four-acid digestion. After 30 October 2012, the drill hole pulps submitted to Inspectorate were analysed for 30-element ICP-MS using four-acid digestion. Over-limits were completed for Cu (when >1 %), Ag (when >100 ppm), As (when >10,000 ppm), Pb (when >10,000 ppm) and Zn (when >10,000 ppm). In addition, gold fire assay (AAS finish) used one assay ton charges and Leco S was analysed by Leco induction. High grade Leco S was reanalysed for Leco S values >20%. Iron over-limits were reanalysed by the Inspectorate and ACME laboratories for original ICP-MS values >30% (in oxide samples only) using the Fe-CON (wet assay) method.

ACME Laboratories purchased Inspectorate in late 2012 and started preparing and analysing the drill hole samples in early January 2013. In several cases, the SGS Malaysia laboratory prepared the drill hole sample pulps in Malaysia and shipped the prepared pulps directly to ACME in Vancouver Canada who then analysed the pulp. Many of the sample analysis protocols conducted by ACME are similar to those done by Inspectorate. ACME also analysed for multi-element ICP-MS using four-acid digestion.

The SGS-Malaysia and SGS-Mengapur laboratories analysed for multi-element ICP using Inductively Coupled Plasma Optical Emission Spectrometry (ICP-OES) (Codes DIG40Q or ICP40Q). Samples that required over-limit analysis used AAS four-acid digestion (Codes DIG43B and AAS43B). Both laboratories analysed for Leco S and fire assay gold using one assay ton charges with AAS finish (FAA303 code).

The SGS-Mengapur laboratory utilised the following analysis and related equipment: one ICP-OES Optima 7300 DV with auto-sampler, one AAS Perkin Elmer AA400, one sulphur analyser model SC632C, and other miscellaneous equipment (i.e. balances, pH meter, fume hoods, etc.). The pulps generated at the SGS-Mengapur laboratory after 2 May 2013 were analysed for Leco S at the Mengapur SGS laboratory, while the remaining pulp material was shipped to Port Klang for ICP analysis and to SGS Bau for fire assay. The on-site SGS Mengapur laboratory at full operational status was under contract to analyse 2,000 samples per month, which included grade control samples and other MMSB project samples. Exploration drill hole samples were prepared and stored in separate facilities from the grade control samples.

5.3. QA/QC

A program of Quality Assurance and Quality Control (QAQC) was implemented for the historical and MMSB drilling conducted at Mengapur. Monument did not supply the sample QAQC processes or results for historical drilling, and Snowden (2018) notes the previous operators did not document them in the records they assessed between 2012 and 2018.

Procedures for the MMSB drilling included:

- Certified Reference Material (CRMs or standards);
- Blanks sourced from a limestone quarry;
- Coarse reject duplicates;

- Pulp duplicates; and
- Field duplicates obtained from RC splits.

CRMs consisted of different lithologies and metal grades that were like the Mengapur polymetallic mineralisation. The CRMs consisted of 'field' standards submitted along with the drill samples as well as 'internal' standards inserted by the laboratories as part of internal laboratory QAQC protocols. One standard and one blank were inserted into the sample number sequence for every 20 drill samples.

The CRMs (GBMS304-1 to GBMS304-5) were purchased from Geostats Pty Ltd in Australia (Geostats) and were certified for the following elements: Cu, Leco S, Au and Ag. The standards were inserted by MMSB with the drill sample submissions upon shipping to the primary laboratory.

The standards OREAS113, OREAS161, OREAS162 and OREAS163 were purchased from Ore Research & Exploration Pty Ltd in Australia (OREAS) for varying values of Cu and Fe. These standards were inserted by the laboratory staff at the primary laboratories (Inspectorate and ACME) when processing the drill samples for analysis and did not have an assigned unique sample identification (ID) number. The OREAS standards were therefore not 'blind' and were known to the primary laboratory. The OREAS series Fe-Cu standards were systematically inserted into the sample stream by Inspectorate and ACME staff after 1 July 2012.

The GIOP-94, GIOP-101 and GIOP-120 standards were purchased from Geostats for varying values of Fe. The laboratories used XRF analysis to determine the expected mean and standard deviation. The GIOP standards represent some of the higher Fe values locally present in the Mengapur mineralisation and were inserted into the sample stream by MMSB geological or sampling personnel at designated intervals (one in every 20 to 40 samples) with unique sample ID numbers. The GIOP standards were 'blind' and not known to the primary laboratory. The GIOP standards were inserted into the sample stream as blind samples starting in December 2012.

The blank standard used was not a CRM and the material was purchased from a local limestone quarry located near the project area. The quarry is located approximately 2km south of the main Mengapur entrance gate. The blank material consists of fresh and recrystallised dark grey to black carbonaceous limestone from the Paleozoic Mengapur Limestones sub-unit of the Permian Sri Jaya Beds as identified on the published Government geology map. The blank material is believed to consist of similar rocks that host the Mengapur polymetallic skarn mineralisation adjacent to the Bukit Sotak intrusion complex. The limestone materials locally contain some white calcite veinlets and rare disseminated sulphide minerals based on visual observations from the site geologists. Blanks samples were inserted into the sample batches in one out of every 20 samples by MMSB geologists.

The blank limestone material is purchased from the quarry as a crushed product generally 50-90mm in size. The purchased crushed blank material was either placed in separate sample bags (as purchased) with unique sample ID numbers, or after 1 May 2013, forwarded to the onsite SGS-Mengapur preparation laboratory and further crushed to less than 10mm diameter and subsequently bagged with a unique

sample ID number and inserted into the sample stream. The companies that owned the limestone quarry in August 2011 were Sri Jaya Limestone Quarry Sdn Bhd and Alunan Maxmur Sdn Bhd.

Duplicate samples for the MMSB drilling consisted of three types. One in 20 to one in 40 coarse reject duplicate samples from the initial sample crushing stage conducted at the primary preparation laboratory were sent to a secondary laboratory for pulverisation and analysis. In addition, the coarse reject duplicate samples may be submitted for wet sieve check (gradation or screen) analysis for the coarse size fraction (minus 2mm screen). One in 20 to one in 40 pulverised pulp duplicate samples were prepared separately from the master pulp sample by the primary laboratory. These were sent to a secondary certified laboratory for check/umpire assaying and wet sieve analysis. Both the coarse reject and secondary pulp duplicate samples were relabelled by the secondary laboratory with the same original sample ID number as received but with a unique suffix added to the ID number in order to maintain a unique sample ID number for storage in the Datashed database. Field duplicate samples from the RC drill holes were collected one in every 20 samples and submitted to the primary laboratory for analysis with a unique sample ID number.

Some of the commercial laboratories were visited in both unannounced and announced visits during the drilling programs by senior MMSB representatives to observe the laboratory equipment, sampling and analysis protocols, and procedures and equipment used for analysing Mengapur samples.

Four different commercial certified laboratories were used to verify the work done at the primary assay laboratories including: ALS (North Vancouver, Canada), SGS-Malaysia (Port Klang, Malaysia), SGS (Burnaby, Canada), and ALS (Brisbane, Australia). At the time of the assaying, the four laboratories were certified to IS017025:2005 standards.

The control chart for copper for GBMS304-1 is presented in Figure 7. In Snowden's opinion, a significant amount of the outliers (defined as outside the ±3 standard deviation limits) evident in the standard assays are due to incorrect assignment of the standard ID to the sample. Overall, the standards performed reasonably well, with individual results generally falling within acceptable tolerance limits and the global average of the standard assays close to the expected value for most standards (once outliers have been accounted for).

Most of the blank samples report results at, or close to, the analytical detection limit for each element. There is no evidence for systematic contamination of samples during sample preparation and/or assaying.

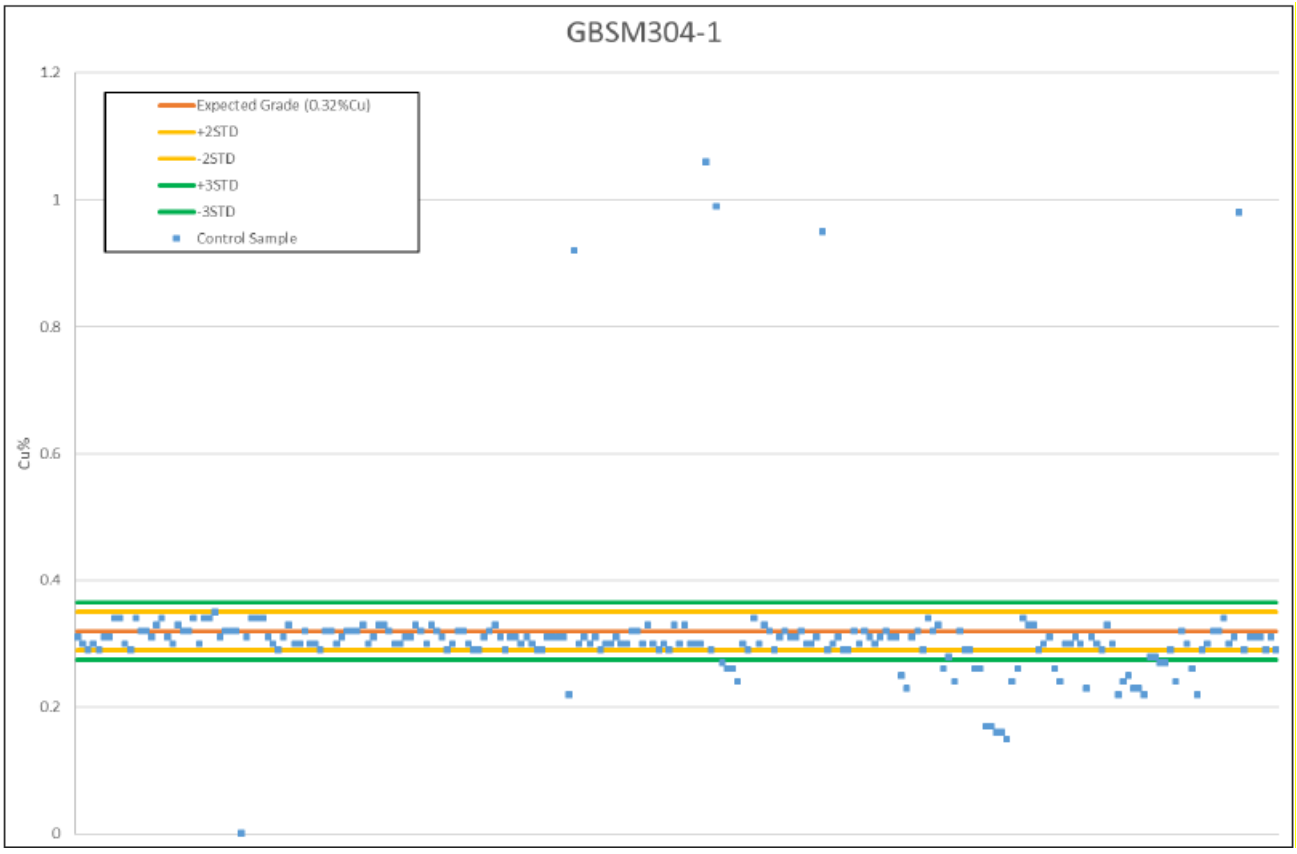


Figure 7 – Control Chart for GBSM304-1 (Source: Snowden, 2018)

The pulp duplicates show reasonable repeatability (i.e. precision) for Cu and Leco S; however, the secondary laboratory appears to report slightly higher Cu grades on average. Au and Ag show poorer precision; however, Snowden believes that this is largely reasonable given the relatively low grades and inherent variability of Au and Ag at Mengapur. There is some evidence for sample swapping with assays reporting very low grades at one laboratory and relatively high grades at the other laboratory.

The coarse reject duplicates show reasonable repeatability (i.e. precision) for Cu, Leco S and Au; however, like the pulp duplicates, the secondary laboratory appears to report slightly higher Cu grades on average. Ag grades show poor precision which may be partially related to the relatively low grade and inherent variability of Ag at Mengapur, but overall is not ideal.

Snowden (2018) conducted a quantile-quantile (QQ) analysis (first assay versus the second assay) as part of their historical Mineral Resource estimation. Snowden verified that the Cu and Au results were comparable across drilling campaigns but could not verify that the historical S grades were comparable with the MMSB S grades.

5.4. Survey

MMSB surveyed the drill hole collars using total station on the Malaysian Rectified Skewed Orthomorphic (MRSO) grid using the Kertau 48 datum. The historical drilling survey method and datum was total station

on the Cassini-Soldner system (Cassini). Relative locations of historical versus MMSB collars are shown in Figure 8.

In March 2013, AAM Pty Ltd (AAM) completed a 6,800 hectare light detection and ranging (LiDAR) survey over Mengapur. MMSB compiled the Project topographic surface from a combination of LiDAR data and ground surveying conducted in September 2015. As part of its work AAM reviewed the accuracies of the MMC drill collar location transformation from Cassini to MRSO. At that time AAM reported large inaccuracies that were partly explained by MSB's incorrect use of a transformation algorithm.

Snowden (2018) noted that collar positions of historical holes in the field have largely been either mined out or are lost and as such the location of the collars could not be verified. One historical hole was found within the current open pit; however, the collar was not labelled. Based on the coordinates, Snowden assumed this is hole DDMEN135. The location measured is approximately 24.5m to the west and 19.6m below the MMSB database location for this collar. Snowden stated that given the uncertainty with attributing this location to DDMEN135, they were unable to make any conclusions with respect to this data point. The Competent Person for the updated Mineral Resource estimates notes that this offset is similar to that calculated during the current review and provides further information within the Section 5.4 of the IQPR.

Monument did not supply the downhole survey methods and processes for historical drilling, and Snowden (2018) notes the previous operators did not document them in the records they assessed between 2012 and 2018.

For MMSB drilling conducted between 2011 and April 2012, down hole surveys were conducted with Camteq single or multi-shot survey instrument at 20 to 60m intervals, with at least two surveys completed for each hole. Snowden notes that drilling surveyed with the Camteq instrument appear to be affected by the presence of magnetic minerals.

For MMSB drilling conducted since May 2012, down hole surveys were completed with a gyroscopic tool at 5m intervals. This survey tool was not affected by the presence of magnetic minerals.

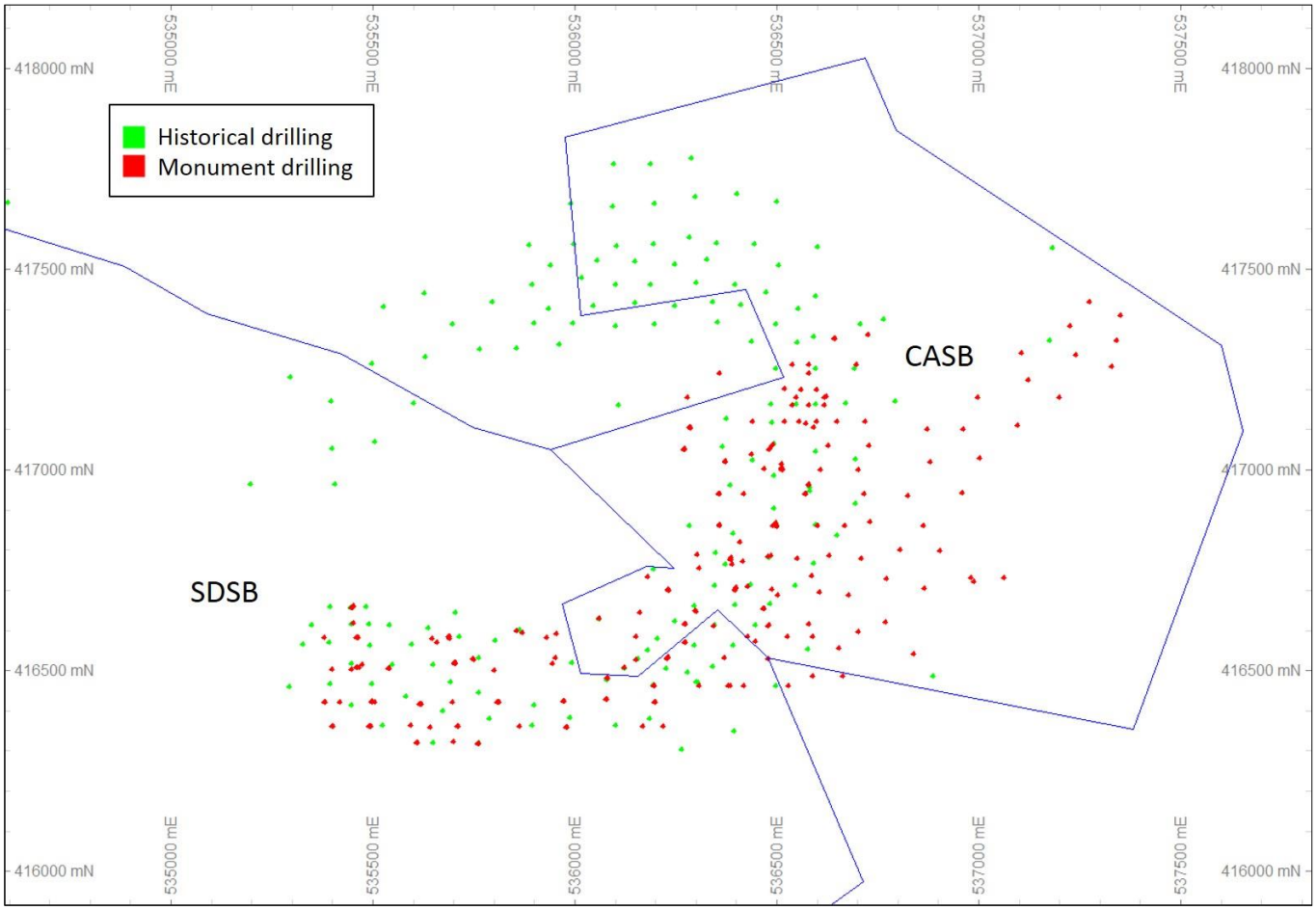


Figure 8 – Drill Collar Location Plan (Source: Snowden, 2018)

5.5. Magnetic Susceptibility

MMSB geotechnical staff collected magnetic susceptibility data onsite using a hand-held magnetic susceptibility meter. The magnetic susceptibility data readings were taken at eight locations on each drillhole pulp sample: four on one side of the pulp envelope and four on the other side of the pulp envelope in the four corners of the envelope and then averaged into one final magnetic susceptibility value. This data is stored in the tool and extracted periodically using computer software. To track the daily performance, monitor for potential tool drift and to act as a quality control protocol custom made magnetic susceptibility standards were analysed approximately every 20 readings.

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5.6. Bulk Density

MMSB obtained 71 bulk density measurements from diamond core drilled by MMSB during 2012. The samples were generally between 10 and 30cm in length and were sent to ALS Laboratory in Vancouver, Canada. The measurements were completed using the water immersion technique and were wax coated to preserve porosity. Table 2 is a summary of the bulk density statistics for the major lithologies logged by MMSB.

Table 2 – Bulk Density Statistical Summary (Source: Snowden, 2018)

Oxidation	Logged code	Count	Average length (m)	Average grade		Density (t/m3)		
				% S	% Fe	Average	Minimum	Maximum
	QZVN	1	0.15	0.37	6.48	2.22	2.22	2.22
	WRHYL	1	0.18	3.05	20.7	2.95	2.95	2.95
Ox	WSK	5	0.18	2.32	16.9	2.83	2.24	3.31
	WSLAT	1	0.15	0.08	28.9	2.53	2.53	2.53
Ox total		8	0.17	1.89	17.6	2.73	2.22	3.31
	ADAM	2	0.19	0.15	2.79	2.78	2.66	2.89
	LMCB	2	0.21	1.39	2.95	2.74	2.70	2.77
	LMST	6	0.19	0.40	0.92	2.74	2.70	2.86
	MAG	1	0.20	1.19	49.0	4.33	4.33	4.33
Sul	SHL	1	0.16	0.06	3.46	2.76	2.76	2.76
	SKGA	5	0.22	0.85	8.54	3.46	3.45	3.50
	SKPX	37	0.53	6.40	20.3	3.44	2.66	4.30
	SKSUL	7	0.25	23.9	41.6	3.98	3.43	4.42
	WSK	2	0.18	0.18	29.8	2.24	1.62	2.85
Sul total		63	0.40	6.59	19.2	3.35	1.62	4.42
GRAND TOTAL		71	0.37	6.06	19.1	3.28	1.62	4.42

Notes: QZVN: quartz-bearing vein; WRHYL: weathered rhyolite; WSK: weathered skarn; WSLAT: weathered slate; ADAM: adamellite; LMCB: carbonaceous limestone; LMST: limestone; MAG: magnetic rock; SHL: shale; SKGA: garnet skarn; SKPX: pyroxene skarn; SKSUL: sulphide skarn

Snowden conducted a regression analysis for the sulphide material, skarn lithology (49 measurements) to assess whether there was a relationship between bulk density and iron or sulphur grades. After analysis, Snowden found that the best correlation occurred between iron and bulk density, therefore derived a regression equation to estimate bulk density within the sulphide skarn material (refer to Figure 9).

- Bulk Density (t/m3) = 0.023 x Fe (%) + 3.004

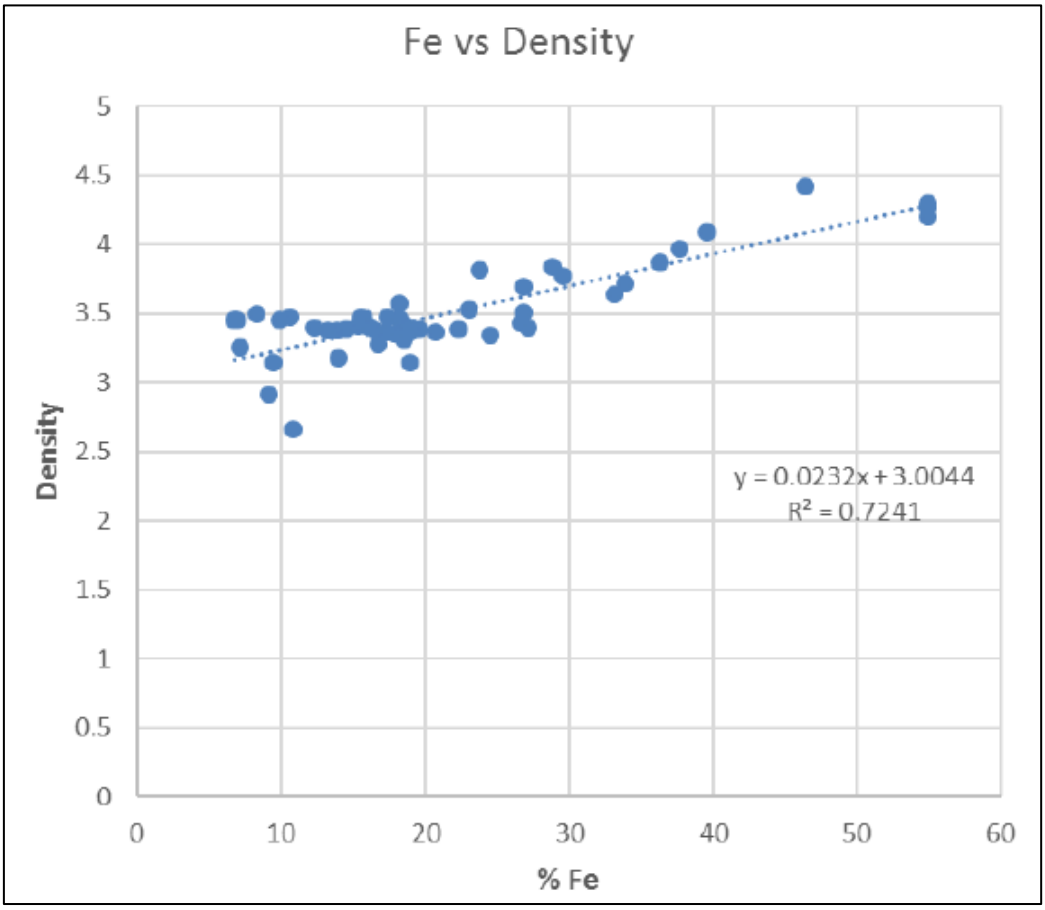

Figure 9 – Density Versus Iron Grade Scatter Plot (Source: Snowden, 2018)

As a result, a mixture of assumed values, measurement averages, and the iron and density regression were applied in the block model, as shown in Table 3 below.

Table 3 – Bulk Density as Assigned in Block Model (Source: Snowden, 2018)

Rock type	Oxidation	Bulk density (t/m3)	Comments
	Oxide	1.85	Nominal value, no samples
Adamellite	Trans	2.2	Nominal value, no samples
	Sulph	2.8	Average of samples
Gossan	Oxide	3.4	Nominal value, no samples
	Oxide	2.1	Nominal value, no samples
Limestone	Trans	2.4	Nominal value, no samples
	Sulph	2.75	Average of samples
	Oxide	1.85	Nominal value, no samples
Shale	Trans	2.2	Nominal value, no samples
	Sulph	2.75	Rounded value based on 1 sample
	Oxide	2.65	Average of WSK samples
	Trans	2.8	Nominal value, no samples
Skarn	Sulph	BD = 0.023*Fe% + 3.004	Regression based on Fe grade estimate (use average value of 3.5 t/m3 for blocks with no Fe estimate)

5.7. Sample Security

Monument did not supply the sample security processes for historical drilling, and Snowden (2018) notes the previous operators did not document them in the records they assessed between 2012 and 2018.

Core and RC samples obtained from the MMSB drilling programs were stored in locked facilities throughout the logging and sampling process, up until being shipped for analysis. Security personnel stationed at a small building with a boom gate-controlled access gate to the Project.

After the core was logged and sampled at the core handling facility, geotechnical staff transferred the core trays to a fenced outdoor facility. The core trays were covered with plastic for protection from the weather. At the same fenced outdoor areas, MMSB stored the coarse reject samples in sealed plastic drums. The sample storage site was routinely patrolled by security guards 24 hours a day.

The reader is referred to the VRM Independent Qualified Person's Report (IQPR) for further information on drill data management, grade control drilling, validation drilling, surface mapping and the use of historical data as input to the current Mineral Resource estimates.

6. Mineral Processing and Metallurgical Testing

As reported by Snowden (2018), between 2011 and 2014 MMSB commissioned Inspectorate Exploration and Mining Services Ltd in Canada to complete metallurgical test work on oxide, transitional and sulphide samples. MMSB submitted samples they sourced from drill hole composites and bulk surface grab samples for test work over three (refer to Table 4).

Table 4 - Metallurgical Test Work Summary (Source: Snowden, 2018)

Testing phase	Dates collected in the field	Material classification tested	Tenements and previous exploration zones	Sample material type and quantity	Testing types
1	Early August 2011; material stored in a freezer at Inspectorate to minimise oxidation	Sulphide (one low sulphur and one high sulphur sample)	CASB (Zone A)	2 surface grab samples each totalling 100 kg	Bench, kinetic, and cleaning flotation tests
2	Oct 2011 to mid-Feb 2012	Oxide (with different magnetite, copper, and Au contents)	CASB (Zones A and C); SDSB (Zone B)	14 surface grab samples totalling 4,672 kg	Sulphuric and cyanide leach tests; some flotation
3	Mid-2011 and to Jul 2012 (MMSB diamond drilling on coarse reject materials; sulphide materials placed under nitrogen preservation in sealed plastic bags)	Sulphide, Transitional, and Oxide; different Cu and S grades were tested for the TRANS and SUL samples)	CASB (Zone A) and SDSB (Zone B)	Drillhole composites: 586 kg oxide; 1,053 kg transitional; 1,023 kg sulphide	Leaching tests on OX and TRANS; bench, kinetic, and cleaning flotation tests on TRANS and SUL; three locked cycle flotation tests on SUL

Notes: OX= oxide; TRANS = transitional; SUL = sulphide

6.1. Oxide Samples

Metallurgical test work conducted on oxide samples included acid leaching for copper extraction and cyanide leaching for gold extraction, as well as Davis Tube Recovery (DTR) for magnetic iron-bearing minerals.

The methodology selected for oxide material was dependent on copper and gold grade. The surface grab samples ranged between 0.03% Cu and 1.61% Cu; 0.04g/t Au and 0.57g/t Au. A series of ten drill hole

composites ranged between 0.30% Cu and 0.47% Cu; 0.04g/t Au and 0.44g/t Au. The maximum copper recovery achieved by acid leaching was approximately 19.9%, whilst cyanide leaching achieved over 90% gold recovery.

Oxide samples were also tested for recovery of magnetic minerals with DTR analysis, with up to 30% mass recovery in some composites, although the distinction between magnetite and pyrrhotite was not made.

6.2. Transitional Samples

Tests performed on transitional material did not produce a conclusive process flowsheet. Acid and cyanide leaching processes yielded very low metal extractions, whilst flotation test work indicated that copper minerals and pyrrhotite cannot easily be upgraded to two separate products.

It was recommended that more test work be conducted on this material type, or otherwise transitional material be blended with oxide or sulphide material.

6.3. Sulphide Samples

Two bulk samples (~100kg) of surface material were tested, with samples ranging between 0.36% Cu and 0.37% Cu; 0.11g/t Au and 0.17g/t Au. Flotation testing at a grind of 80% passing 90µm showed that copper sulphide concentrates of more than 24% Cu could be produced at recoveries of more than 60%.

The copper content of drill hole composites collected from sulphide material ranged between 0.10% Cu and 0.71% Cu; <0.01g/t Au and 0.47g/t Au. Flotation testing using the same analytical and testing techniques failed to match the results obtained from the surface bulk samples, with a maximum copper grade of 23.25% Cu at a recovery of 73.7% achieved. Evidence from a QEMSCAN mineralogical study suggested there is scope to improve recovery with a finer grind.

6.4. VRM Comment

Test work conducted to the current date indicates that copper recoveries were relatively poor in the oxide material, moderate in sulphide material and inconclusive for transitional material. Gold recoveries were above 90% in oxide material, but results were not definitively presented for transitional and sulphide material. Processing during historical mining was unable to produce a copper sulphide concentrate of sufficient grade. VRM concurs with Snowden in that more metallurgical test work is required in relation to copper, gold and silver. VRM notes that there is an opportunity to potentially mine and process magnetite and pyrrhotite, which also requires further test work.

In VRM's opinion, the relatively poor (oxide) and moderate (sulphide) recoveries of copper so far demonstrated should be considered when determining a Mineral Resource reporting cut-off grade. The Snowden 2018 Mineral Resource was reported at two cut-off grades: a 0.3% copper cut-off grade and a 0.5% copper cut-off grade. In VRM's opinion, only the 0.5% copper cut-off grade would take into account the modest copper recoveries and therefore should be used as the sole reporting cut-off grade.

7. Resource and Reserve Estimates and Exploration Results

A summary of the updated Mengapur Mineral Resource estimate in the form of Appendix 7D of the Catalist Rules is shown in Table 5. The Mineral Resource estimate was prepared by Competent Person Leesa Collin for Fortress Mining in October 2020 and is reported following the guidelines and recommendations contained within the JORC Code (2012). The Mineral Resource estimate is an update to Monument's 2018 Mineral Resource estimate to include magnetite resources and separate the copper resources into pyrrhotite-hosted and skarn-hosted domains. The effective date of the Mineral Resource estimate is 26 October 2020.

Table 5 –Mengapur Copper and Magnetite Inferred Mineral Resource estimates (26 October 2020)

		Gross Attributable to Licences[1]						Net Attributable to Issuer[2]							
JORC Category	Mineral Type	Tonnes (millions)	Grade Fe (%)	Grade Cu (%)	Grade Au (g/t)	Grade Ag (g/t)	Grade S (%)	Tonnes (millions)	Grade Fe (%)	Grade Cu (%)	Grade Au (g/t)	Grade Ag (g/t)	Grade S (%)	Change from previous update (%)	Remarks
Mineral Resources*															
Inferred	Copper Skarn	8.63	20.07	0.64	0.08	13.90	2.54	8.63	20.07	0.64	0.08	13.90	2.54	N/A	3
	Copper Pyrrhotite	6.21	30.62	0.67	0.31	5.80	16.08	6.14	30.62	0.67	0.31	5.80	16.08	N/A	3
	Magnetite Massive	5.27	31.04	0.08	0.11	2.42	2.79	5.27	31.04	0.08	0.11	2.42	2.79	N/A	4
	Magnetite Brecciated	5.48	36.19	0.19	0.26	6.54	0.17	5.48	36.19	0.19	0.26	6.54	0.17	N/A	4
Total Inferred Copper		14.83	24.49	0.65	0.18	10.52	8.19	14.77	24.46	0.65	0.18	10.53	8.19	-22%	3
Total Inferred Magnetite		10.75	33.67	0.14	0.19	4.52	1.45	10.72	33.65	0.14	0.19	4.52	1.45	N/A	4

1 A portion of the resources within the CASB tenement are in the 'red free-digging' soils and are attributable to ZCN and PLSB

2 The Issuer is in the process of acquiring 100% of the Project

3 The copper Mineral Resources are reported above a 0.5% Cu cut-off. The copper Mineral Resources previously reported by Monument were current at June 2020. The total change from the previous update is calculated using copper metal within the Total Inferred Copper Mineral Resources and the Indicated and Inferred resources from the 2018 Snowden Mineral Resource estimate.

4 The magnetite Mineral Resources are reported above a 25% Fe cut-off. The Competent Person is not aware of previous public magnetite resources reported for the Project.

* No Ore Reserves or Mineral Reserves stated. Mineral Resources that are not Ore Reserves or Mineral Reserves do not have demonstrated economic viability. The Mineral Resource is limited to within the CASB and SDSB boundaries. Some discrepancies may occur due to rounding.

Competent Person (CP): Leesa Collin – Independent Consultant – Associate to VRM, MAusIMM

The reader is referred to the VRM Independent Qualified Person's Report (IQPR) for further information on data preparation, interpretation and volume model coding, univariate and spatial analysis, block model grade estimation, grade estimation validation, mineral resource classification and reporting and discussion of reasonable prospects for eventual economic extraction. The IQPR includes a summary of the pertinent information used in the estimation of the Mineral Resource estimates and further details provided in JORC Table 1 format.

8. Planned Extraction Method

VRM understands that, at this time, Fortress has not completed work to detail; the planned extraction method, processing method, capital costs, operating costs, considerations including social, environmental, health and safety factors that may affect exploration and/or exploitation activities. Monument did complete internal studies on the Mengapur mineral deposit based on an assumed open pit extraction method for copper applying a bulk-mining approach with limited selectivity (Monument, 2018). Mining studies were conducted but not released in the public domain and no Ore Reserves or Mineral Reserves are reported.

Fortress has commissioned high-level mining studies that indicate the magnetite Mineral Resources are amenable to selective open pit mining methods and will draw on its operational experience at Fortress's nearby Bukit Besi magnetite mine to further refine a potential operational strategy for Mengapur.

9. Financial Analysis of the Operations

Financial analysis of the potential mining operation has not been completed at this stage of Project development, therefore assessment of the taxes, liabilities and marketing aspects contributing to the financial analysis of the potential operations are not applicable.

10. Plant and fixed Property

VRM is aware that while Mengapur is currently on care and maintenance, there remains some plant and fixed property on the property. These contribute value to the mineral asset and are described here and included in the valuation below.

Based on the information provided by Monument, there are some details of ore characteristics, basic process flow drawing (PFD) and process description. VRM would need additional considerable metallurgical testwork and design to confirm process and equipment selection. It is likely that after milling and classification (via cyclones) material was sent to flotation. Then the concentrate was probably magnetically separated to remove ferrous material and produce a sulphide concentrate. There is no gravity circuit evident, so it appears that MMSB did not extract free gold.

Photos supplied by Fortress during site visits show an old plant in poor condition with some missing equipment and components. Plant components have not been protected from the elements and quite a lot of the equipment and plate work appears to be corroded. It is likely that water damage has occurred to bearings, gearboxes and electrical components. This is supported by Snowden (2018) where it is stated that structures and tankage are considerably corroded.

The crushing plant appears to have been cannibalised. No crushers are evident in the photos and screen decks appear to be missing but may be stored under cover. The age of the original planting is estimated by VRM to be approximately 30 years old. The condition of the concrete, structural, pipework and electrical cabling is not readily apparent. Snowden (2018) confirms structural and plate work is corroded. No mention is made on civil, but this is probably also considerably spalled / eroded.

11. Interpretation and Conclusions

VRM requested that tenure status be confirmed as part of the Report and Fortress engaged Azman Davidson to undertake this review as part of its due diligence process. Azman Davidson noted it had not been instructed to prepare a specific legal opinion on the mining tenements, but made the following findings in relation to the due diligence:

- Mining Lease No. ML8/2011 was issued on 1 June 2011 for a period of five years, which was twice renewed for a further period of two years subsequently expired on 31 May 2020. An application for the renewal of the Mining Lease was made on 28 June 2019 which was approved for renewal for a period of five years in October 2020, retrospective to May 2020.
- Permit No. SKC(H) 1/2008 was issued and expired on 23 September 2012. This appears to have been replaced by applications for Mining Leases and Monument has advised that these applications are being processed by the state government.

Based on the review conducted by Azman Davidson for Fortress, VRM considers there remains some tenure risk relating to SKC(H)1/2008 as further described in Section 2.

The understanding of the geology and mineralisation control at Mengapur has not progressed since the MMC and BGS studies in the 1980s. During the due diligence period, Fortress geologists confirmed the copper and magnetite mineralisation is both structurally and lithologically controlled with a complex paragenetic sequence.

Mengapur has a significant amount of previous exploration and drilling was conducted with the industry-standard methods of DD and RC drilling. In the CPs opinion, the adequacy of the historical drilling programs and drill data is questionable:

- The location of the MMC drill collars is uncertain,
- The MMSB drill trace orientation is not perpendicular to the strike of the magnetite or copper-bearing pyrrhotite lodes
- MMSB diamond core samples are not orientated
- MMSB QAQC charts show numerous outliers which are still present in the database
- Sample representivity analysis of both MMSB and MMC data is inadequate, or the data to complete the study is missing
- Management of the drill data is poor

Although over 100,000 m of drilling is completed at the Project, half in the last ten years, the CP assessed the Mengapur data to be suitable to support only Inferred Mineral Resources.

While the number of bulk density measurements informing the Mineral Resource estimate is adequate to support an Inferred classification, in VRM's view this is insufficient to support the classification of Indicated Mineral Resource at Mengapur, particularly for the oxide and transitional material types and further measurements are required to improve analysis as further outlined in Section 5.6.

Previous metallurgical test work conducted at Mengapur indicated that copper recoveries were relatively poor in the oxide material, moderate in sulphide material and inconclusive for transitional material. Processing during historical mining was unable to produce a copper sulphide concentrate of sufficient grade. Gold recoveries were above 90% in oxide material, but results were not definitively presented for transitional and sulphide material. VRM considers that more metallurgical test work is required in relation to copper, gold and silver and notes that there is a potential opportunity to mine and process magnetite and/or pyrrhotite, which also require further test work and drill testing.

12. Valuation Standard

The VALMIN Code outlines various valuation approaches that are applicable for Properties at various stages of the development pipeline. These include valuations based on market-based transactions, income or costs as shown in Table 6 and provides a guide as to the most applicable valuation techniques for different assets.

Table 6 – VALMIN Code 2015 valuation approaches suitable for mineral Properties

Valuation Approaches suitable for mineral properties				
Approach	Exploration Projects	Pre-development Projects	Development Projects	Production Projects
Market	Yes	Yes	Yes	Yes
Income	No	In some cases	Yes	Yes
Cost	Yes	In some cases	No	No

The Mengapur Project in Malaysia is best described as a pre-development stage Project as this includes projects that have identified Mineral Resources, but where a decision to proceed with development has not been made. The category includes properties on care and maintenance. No Ore or Mineral Reserve estimates have been prepared or announced in accordance with industry standards.

As the current Mineral Resources are classified as Inferred Mineral Resources, VRM does not consider an income valuation methodology is appropriate. Without further data analysis and drill testing to confirm a higher level of classification of the resources, at this stage the preferred valuation for the Tenement is based on market and cost valuation approaches.

12.1 Previous Valuations

VRM conducted a draft valuation report based on the previously reported Mineral Resource estimate of Snowden (2018). Fortress commissioned an update to that Mineral Resource estimate to inform the IVR. VRM is not aware of any other previous valuation reports on the Mengapur property.

12.2 Valuation Subject to Change

The valuation of any mineral property is subject to several critical inputs most of these change over time and this valuation is using information available as of 26 October 2020 being the valuation date of this Report. This valuation is subject to change due to updates in the geological understanding, variable assumptions and mining conditions, climatic variability that may impact on the development assumptions, the ability and timing of available funding to advance the property, the current and future commodity prices, exchange rates, political, social, environmental aspects of a possible development, a multitude of input costs. While VRM has undertaken a review of multiple aspects that could impact the valuation there are numerous factors that are beyond the control of VRM particularly future commodity prices and exchange rates.

As at the date of this Report in VRM's opinion there have been no significant changes in the underlying inputs or circumstances that would make a material impact on the outcomes or findings of this Report.

13. Valuation Assumptions

The Mengapur Mineral Asset is valued using appropriate methodologies from Table 6 as described in the following sections. The valuation is based on several technical assumptions detailed above and noted in the valuation section below, including the following general assumptions;

- That all information provided to VRM is accurate and can be relied upon,
- The valuations only relate to the mineral assets of the Mengapur Project including copper and iron mineralisation within the Tenements and not the companies nor their shares,
- That the mineral rights, tenement security and statutory obligations were fairly stated to VRM and that the mineral licences will remain active and applications will be successfully processed by government departments,
- That all other regulatory approvals for exploration and mining are either active or will be obtained in the required and expected timeframe,
- That the owners of the mineral assets can obtain the required funding to continue exploration activities,
- The copper price assumed (where it is used / considered in the valuation) is as at 26 October 2020, being USD$ 3.07/lb for copper spot (source: Kitco.com) which results in a calculated price of USD$6,768.19/t Cu,
- The gold and silver prices assumed (where these are used / considered in the valuation) are as at 26 October 2020, being USD$1898.45/oz Au (London PM Fix) and USD$24.28/oz Ag (London Fix) (source: Kitco.com),
- The iron price assumed (where it is used / considered in the valuation) is as at 26 October 2020, being USD$116.34/t Fe (source: tradingeconomics.com),
- The zinc (Zn) and lead (Pb) prices assumed (where it is used / considered in the valuation) is as at 26 October 2020, being USD$ 1.14/lb for Zn and USD$0.81/lb for Pb (source: Kitcometals.com) which result in calculated prices of USD$2,513.24/t for Zn and USD$1,785.73 for Pb,
- The cobalt (Co) price assumed (where it is used / considered in the valuation) is as at 26 October 2020, being USD$33,338/t Co (source: tradingeconomics.com),
- The exchange rate from AUS$ to USD$ (where is it used / considered in the valuation) is as at 26 October 2020 being 0.7121478306 (source: xe.com)
- All currency in this report are stated as United States Dollars or USD$, unless otherwise noted.

Forecast or contracted commodity prices have not been applied in the valuation as an income-based valuation has not been used. This also applies to rate of discount or rate of inflation and weighted average cost of capital that would form the major assumptions in a forecast financial model. An estimate of the net present value (NPV) has not been undertaken as VRM has selected market-based and cost-based valuation approaches.

Technical uncertainties inherent in the assumptions made at arriving at the valuation are outlined above, summarised in Section 11 and discussed in terms of the valuation below.

13.1 Market Based Valuations

As the Mengapur Property in Malaysia being valued in this Report is dominantly prospective for iron and copper based on the work completed to date it is important to note the current market conditions of the primary commodities being targeted.

Copper Market

The copper prices are driven by global supply and demand factors and historically have experienced major fluctuations relating to global economic cycles. Copper prices peaked in 2011 when demand from emerging economies such as China drove demand but then decreased as market sentiment for continued Asian growth particularly in construction and manufacturing lessened. A strengthening USD also impacted negatively on copper prices, along with lower than expected copper consumption in major markets such as the United States, India and Brazil. However, since 2016 copper prices have shown resurgence related largely to infrastructure stimulus in China

Iron Ore Market

The iron ore market conditions have been quite volatile over the past five years. Overall, there has been an increase in global steel production and hence a higher iron ore demand, but this has been offset somewhat by a very large increase in production. Other impacts have included several tailings dam failures and restrictions on tailing dam use and management, especially in Brazil.

Iron ore prices were heavily impacted at the start of 2020 amid concerns about the impact of COVID-19 on the Chinese economy, but recovered in the middle part of 2020 and price strengthening is attributed to shutdowns of some critical mines in Brazil during the pandemic and demand in China remaining strong.

Charts showing recent pricing trends for copper (Figure 10) and iron ore (Figure 11) are shown below for context.

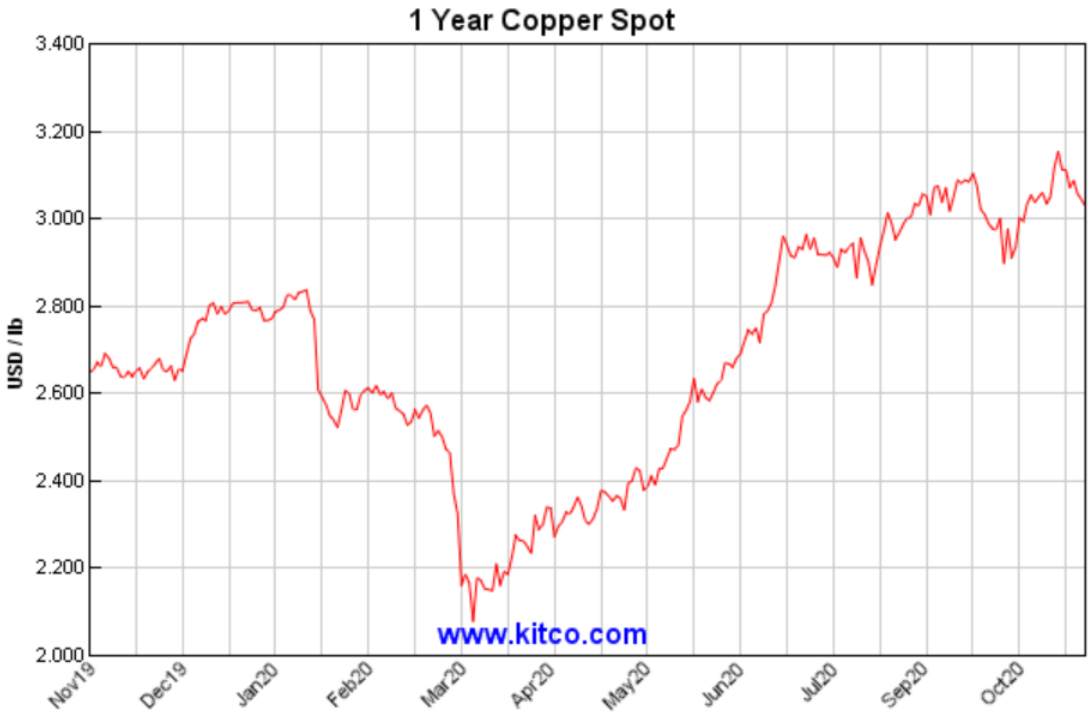

Figure 10 – One year USD$ copper monthly price graph (Source: kitco.com)

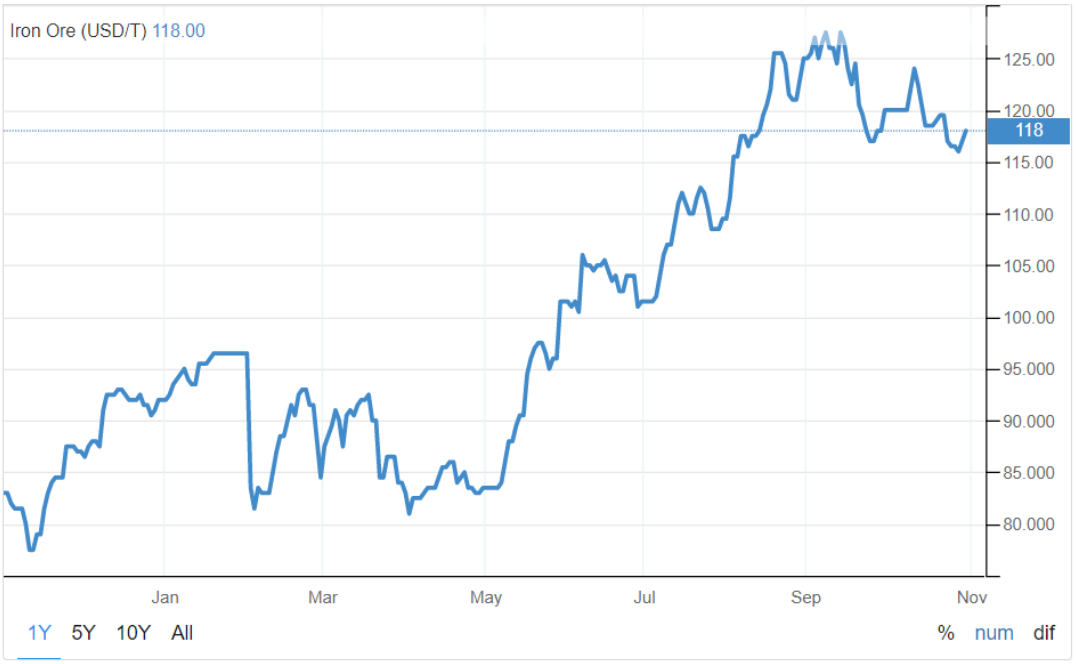

Figure 11 – One year USD$ iron ore price graph fine China import 63.5% Fe (Source: tradingeconomics.com)

14. Valuation Approach

There are several valuation methods that are suitable for Pre-Development Properties these include;

- Financial modelling including discounted cash flow (DCF) valuations (generally limited to Properties with published Ore Reserves)
- Comparable Market Based transactions including Resource Multiples, including Metal Transaction Ratios (MTR) to account for multi-commodity assets
- Yardstick valuations

As there are no current Ore Reserves estimated for the project and the Mineral Resource estimates are classified as Inferred, VRM does not consider an income-based valuation approach is suitable as a primary valuation method. There are significant modifying factors that impact the viability and economic returns of a mining operation. Until the modifying factors are identified and quantified by additional studies, typically completed as a part of an Ore Reserve Estimation, it is VRM's opinion that any assumptions in critical modifying factors could, and often would, have a material impact on a valuation using an income approach.

14.1 Comparable Market Based Transactions

A comparable transactional valuation is a simple and easily understood valuation method which is broadly based on the real estate approach to valuation. It can be applied to a transaction based on the contained metals (for projects with Mineral Resource estimates reported) or on an area basis for non-resource projects. Advantages of this type of valuation method include that it is easily understood and applied, especially where the resources or tenement area is comparable and the resource or exploration work is reported according to an industry standard (like the JORC Code or NI43-101).

However, it is not as robust for projects where the resources are either historic in nature, reported according to a more relaxed standard, or are using a cut-off grade that reflects a commodity price that is not justified by the current market fundamentals. If the projects being valued are in the same or a comparable jurisdiction, then it removes the requirement for a geopolitical adjustment. Finally, if the transaction being used is recent then it should reflect the current market conditions.

Difficulties arise when there are a limited number of transactions, where the projects have subtle but identifiable differences that impact the economic viability of one of the projects. For example, the requirement for a very fine grind required to liberate gold from a sulphide rich ore or where the ore is refractory in nature and requires a non-standard processing method. For Iron Ore projects the differences would occur with different mineralogy, recovery and metallurgical characteristics and the presence of any penalty elements in the iron ore. Polymetallic deposits also present challenges due to the different commodities present within the deposit being valued and within potentially comparable deposits.

The information for the comparable transactions has been derived from various sources including the ASX and other securities exchange releases associated with these transactions, a database compiled by VRM for exploration stage projects (with resources estimated) and pre-development projects.

This valuation method is the primary valuation method for exploration or advanced (pre-development) projects where Mineral Resources have been estimated but no current Ore Reserves have been declared. More advanced projects would typically be valued using an income approach due to the modifying factors for a proposed mining operation being better defined.

The preference is to limit the transactions and resource multiples to completed transactions from the past two to three years in either the same geopolitical region or same geological terrain however due to the limited number of recent completed transactions especially for copper and magnetite resources project based transactions in Asia the transactions have been based on copper-gold projects globally since the start of 2015 and magnetite resources in Australia and Brazil since 2013.

The copper – gold transactions have been analysed on an MTR basis, while the magnetite transactions were considered separately as no transactions could be identified involving both copper – gold and magnetite resources.

The MTR analysis involves reviewing the transaction considering the proportional value of each commodity. For example, at Mengapur copper may be the main value driver, but gold and silver within the deposit may also contribute value if these could represent a by-product or credit. To take account of these potential value contributors an analysis was carried out by assigning the respective metal prices to the contained metal as stated in the Mineral Resource estimate (on a 100% equity basis). The transaction value was divided by the implied contained metal value to determine a ratio termed MTR expressed as a percentage.

For example, as SRK (2019) points out in its use of this technique, the gross dollar metal content should not be considered as value as it is only derived to allow a comparison of projects with differing metal contents and to derive a copper metal equivalent value. It does not reflect or imply the metal tonnes likely to be recovered as required under JORC Code (2012) guidelines.

The analysis was undertaken on each transaction and also normalised considering the respective copper price at the date of the original transaction compared to the copper price as the valuation date to take into account fluctuations in the price history of the primary commodity. Normalisation was also carried out on magnetite transactions. Where transactions took place in currencies other than the United States Dollar, these were converted applying the exchange rates when the transaction was announced.

The copper – gold comparable transactions have been compiled where Mineral Resources have been estimated. Appendix A details the Resource Multiples for a series of transactions that are considered at least broadly comparable in terms of deposit size and grade across a range of countries (USA, Australia,

Chile, Canada and Namibia). Based on the range of MTR values a relationship between MTR value and geopolitical setting was not evident, albeit that there were a limited number of transactions. On this basis VRM did not apply any adjustments related to jurisdiction to the transaction nor to the valuation of the Mengapur Project. The highest and lowest MTR values were excluded from the final analysis as these were considered outliers.

Appendix B details the Resource Multiples for a series of magnetite transactions that are considered at least broadly comparable in terms of grade across two countries (Brazil and Australia). The Brazilian transactions are noted to be generally of higher value, but this may be more related to deposit style than geopolitical setting. On this basis VRM did not apply any adjustments related to jurisdiction to the transaction nor to the valuation of the Mengapur Project.

VRM acknowledges that copper (below a 0.5% cut-off) and gold occur within the magnetite resources that could be recoverable. However, this has not been incorporated into the valuation of the magnetite resources as it is uncertain without further studies and analysis what the copper and gold material could be upgraded to, and therefore how to account for their value.

14.2 Yardstick Valuations

As mentioned above the yardstick method can also be considered as a valuation approach. This is typically used as a cross-check when valuing of Mineral Resources. It is based on a percentage of the current commodity price or 'rule-of-thumb' and is more typically used for traded commodities such as gold. For multi-commodity assets such as base metals which are sold as concentrates and for bulk products such as iron ore, where sales contract can be product specific and individual project value drivers may not be so readily considered, the method may be too simplistic. It is however, considered useful as a cross check to the primary valuation method.

In a recent copper-cobalt valuation SRK Consulting (2019) selected the following yardstick factors for copper, cobalt and silver mineralisation in Australia:

- Inferred Mineral Resources: 0.5% to 1.0% of spot price
- Indicated Mineral Resources: 1.0% to 2.0% of spot price
- Measured Mineral Resources: 2.0% to 5.0% of spot price

It was noted in the SRK report that these provided a valuation that was three times higher than the valuation derived using comparable transactions. In VRMs opinion it may be more reasonable to use slightly lower yardstick values for commodities typically traded as concentrates as we have previously applied in VRM (2019). Within this lead-zinc valuation VRM selected the following yardstick factors for base metal mineralisation in Mexico:

- Inferred Mineral Resources: 0.3% to 0.5% of spot price
- Indicated Mineral Resources: 0.5% to 1.0% of spot price
- Measured Mineral Resources: 1.0% to 3.0% of spot price

VRM considers these appropriate and applied these same factors to the stated copper and magnetite Inferred Mineral Resource estimates for the Mengapur Project.

To account for the likely magnetite recovery VRM applied a further factor to this. As documented in the IQPR oxide samples were tested for recovery of magnetic minerals with Davis Tube Recovery (DTR) analysis. It was noted that previous metallurgical testwork obtained up to 30% recovery in some samples, although the distinction between magnetite and pyrrhotite was not made.

Further DTR investigation was carried out as part of the current Mineral Resource estimation which demonstrated a relationship between DTR mass recoveries and magnetic susceptibility. As noted in the IQPR the calculated mass recovery can be described by the following formula:

- Equivalent Calculated Mass Recovery = (0.1938 x Magnetic Susceptibility) + 0.647

Applying this formula to the stated Total Magnetite Mineral Resource estimate with magnetic susceptibility of 100 SI units results in an equivalent calculated mass recovery of 20%.

VRM elected to apply a value of 25% to the magnetite yardstick value to account for the magnetite recovery.

14.3 Exploration Asset Valuation

Other methods are available to estimate the value of an early stage exploration property (or the exploration potential away from a mineral deposit). For large tenement areas for example, it is important to value all the separate parts of the mineral assets under consideration.

In the case of the advanced Properties the most significant value drivers for the overall property are the declared Mineral Resources or Ore Reserves, while for earlier stage Properties a significant contributor to the property's value is the exploration potential. There are several ways to determine the potential of pre-resource Properties, these being;

- Comparable transactions (purchase) based on the Properties' area
- Joint Venture terms based on the Properties' area
- A Geoscientific (Kilburn) Valuation
- A prospectivity enhancement multiplier (PEM)

As no exploration has been reported outside of the immediate Mineral Resource area, VRM considers that the resource is the most significant value driver and the surrounding licence area has not been assigned any value. This position has also been taken given that tenure concerns are also noted particularly for areas away from the defined mineralisation.

15. Mengapur Valuation

The mineral asset valued as a part of this IVR is the Mengapur Project which extends across two tenement areas in the Pahang State of Malaysia. The project includes stated copper and magnetite Mineral Resources.

As the project currently hosts Inferred Mineral Resource Estimates and there are no Ore Reserves in VRM's opinion an income valuation approach is not considered an appropriate valuation method. Therefore, VRM has undertaken a valuation using two techniques, based on the currently stated copper and magnetite Mineral Resources, these being a comparable transaction (resource multiplier) method, with a Yardstick method as a cross check.

15.1 Comparable Transactions – Resource Multiples

As detailed in Appendix A, VRM has reviewed a series of transactions that are considered broadly comparable to the copper Mineral Resource estimates within the Mengapur Project. These are deposits where copper is the primary commodity which have other metal products including silver, gold, zinc, cobalt and molybdenum. Some of these are classified as skarn deposits (for example Oracle Ridge and Stellar) while others may be more akin to porphyry style deposits.

Twenty-two potentially comparable copper transactions were initially identified and of these, 11 provided sufficient information for a complete analysis. These 11 formed the dataset for a more thorough analysis to develop an MTR for each transaction as described above. Copper MTRs or resource multiples for each transaction were normalised to the current copper price in United States dollars (when necessary) using the exchange rate and copper price at the time each of the transactions was announced. These normalised MTR were compared to project size, grade and location and the highest and lowest values removed as outliers.

From the analysis of the 11 normalised transactions VRM has determined that the MTRs for broadly comparable projects show a wide range from 0.004% of the transaction value to 2.55% of the transaction value. A subset of nine (outliers removed) narrowed this range to between 0.03% and 2.08% which is still considered quite broad. To provide a more meaningful valuation in VRM's opinion it is preferable to consider the 25th and 75th percentiles and the median of the transactions for potential MTR resource multiples. This results in MTR values from a 25th percentile of 0.18% to a 75th percentile of 0.68% with the median of 0.38%. These were used to derive the lower, upper and preferred values respectively.

Therefore, in VRM's opinion the Mengapur copper-gold±silver valuation has been determined based on these MTR values applied to the implied contained metal total value. The MTR values detailed above and supported by the information in Appendix A have been used along with the Mineral Resources detailed in Table 5 above and documented in the IQPR to determine the valuations shown in Table 7.

Table 7 - Comparable transaction valuation summary for Cu-Au±Ag Mengapur Mineral Resources

Comparable transaction analysis summary for Cu-Au±Ag using MTR approach			
	Lower (25th percentile)	Preferred (Median)	Upper (75th Percentile)
Mengapur Cu-Au±Ag Mineral Resource (Implied total metal value) (USD$ million)	$933	$933	$933
MTR Value (Total metal value as % of transaction value)	0.18%	0.38%	0.68%
Cu-Au±Ag Resource Valuation (USD$ million)	$1.7	$3.6	$6.4

Note appropriate rounding has been applied to the Resource estimate and the valuation.

Therefore, VRM considers the copper-gold±silver Mineral Resource Estimates within the Mengapur Project to be valued, based on comparable transactions, at between USD$1.7 million and USD$6.4 million with a preferred valuation of USD$3.6 million.

In addition, as detailed in Appendix B, VRM reviewed a series of transactions that are considered broadly comparable to the magnetite Mineral Resource estimates within the Mengapur Project. These are deposits where iron is the primary commodity of similar size and grade to Mengapur.

Eighteen magnetite transactions were initially identified and of these, seven were considered potentially comparable. These eight formed the dataset for a more thorough analysis. Magnetite resource multiples for each transaction were normalised to the current iron ore price in United States dollars (when necessary) using the exchange rate and iron ore price at the time each of the transactions was announced. These normalised values were compared to project size, grade and location.

From the analysis of the eight normalised transactions VRM has determined that the values for broadly comparable projects show a wide range from USD$0.01/t to USD$0.23/t which VRM considers to be quite broad. While in VRM's opinion it is preferable to consider the 25th and 75th percentiles and the median of the transactions for potential magnetite resource multiples in this instance the derived valution range would be too large. VRM therefore selected the median value of USD$0.09/t and applied a ±50% range. These were used to derive the lower, upper and preferred values respectively.

Therefore, in VRM's opinion the Mengapur magnetite valuation has been determined based on these transaction values applied to the implied contained iron ore total. The values detailed above and supported by the information in Appendix B have been used along with the Mineral Resources detailed in Table 5 above and contained metal as documented in the IQPR to determine the valuations shown in Table 8.

Table 8 - Comparable transaction valuation summary for Magnetite Mengapur Mineral Resources

Comparable transaction analysis summary for Magnetite			
	Lower (Median less 50%)	Preferred (Median)	Upper (Median plus 50%)
Mengapur Magnetite Resource (contained Fe tonnes)	3.61M	3.61M	3.61M
Comparable transaction Value (USD$/t)	0.06	0.09	0.12
Magnetite Resource Valuation (USD$ million)	$0.2	$0.3	$0.5

Note appropriate rounding has been applied to the Resource estimate and the valuation.

Therefore, VRM considers the magnetite Mineral Resource Estimates within the Mengapur Project to be valued, based on comparable transactions, at between USD$0.2 million and USD$0.5 million with a preferred valuation of USD$0.3 million.

The results for the Comparable transaction approach for reported copper, gold, silver and magnetite Mineral Resources is summarised in Table 9.

Table 9 - Comparable transaction valuation summary for Cu-Au±Ag and Magnetite Mengapur Mineral Resources

Comparable transaction analysis summary for Cu-Au-Ag and Magnetite			
	Lower	Preferred	Upper
Cu-Au±Ag Resource Valuation (USD$ million)	$1.7	$3.6	$6.4
Magnetite Resource Valuation (USD$ million)	$0.2	$0.3	$0.5
Total Mineral Resource Valuation (USD$ million)	$1.8	$3.9	$6.9

Note appropriate rounding has been applied to the valuation, totals may not add due to rounding..

Therefore, VRM considers the copper-gold±silver and magnetite Mineral Resource Estimates within the Mengapur Project to be valued, based on comparable transactions, at between USD$1.8 million and USD$6.9 million with a preferred valuation of USD$3.9 million.

15.2 Yardstick Values – Cu-Au-Ag and Magnetite Resources

Using the yardstick values documented above, VRM estimated a project value using this method as a cross check and is a useful secondary valuation technique to support the valuation generated by a comparable

transaction method. The Cu-Au-Ag and Magnetite resources were treated applying the factors stated in Section 14.2 for the reported Inferred Mineral Resource estimates.

The results for these applying the Yardstick approach for reported copper-gold±silver and magnetite Mineral Resources is summarised in Table 10, Table 11, Table 12 and Table 13 respectively. The results for these applying the Yardstick approach for both Mineral Resources is summarised in Table 14.

Table 10 - Yardstick Valuation of the Reported Cu in Copper resources in the Mengapur Project

Cu Resource (as reported)	Contained Cu	USD$/t	Valuation (USD$ million)		
			Low	Preferred	High
Reserves	0	-	-	-	-
Measured	0	-	-	-	-
Indicated	0	-	-	-	-
Inferred Cu 14.77Mt @ 0.65%	96,830t	6,768.19/t	2.0	2.6	3.3
Total Valuation (USD$M)			2.0	2.6	3.3

Note: The yardstick valuation uses the Cu price as at 26 October2020 and appropriate rounding has been applied to the resource and the valuation.

Table 11 - Yardstick Valuation of the Reported Au in Copper resources in the Mengapur Project

Au Resource (as reported)	Contained Au	USD$	Valuation (USD$ million)		
			Low	Preferred	High
Reserves	0	-	-	-	-
Measured	0	-	-	-	-
Indicated	0	-	-	-	-
Inferred Au 14.77Mt @ 0.18g/t	85koz	1,898.45/oz	0.5	0.6	0.8
Total Valuation (USD$M)			0.5	0.6	0.8

Note: The yardstick valuation uses the Au price as at 26 October2020 and appropriate rounding has been applied to the resource and the valuation.

Table 12 - Yardstick Valuation of the Reported Ag in Copper resources in the Mengapur Project

Ag Resource (as reported)	Contained Ag	USD$	Valuation (USD$ million)		
			Low	Preferred	High
Reserves	0	-	-	-	-
Measured	0	-	-	-	-
Indicated	0	-	-	-	-
Inferred Ag 14.77Mt @ 10.53g/t	5Moz	24.28/oz	0.4	0.5	0.6
Total Valuation (USD$M)			0.4	0.5	0.6

Note: The yardstick valuation uses the Ag price as at 26 October2020 and appropriate rounding has been applied to the resource and the valuation.

Table 13 - Yardstick Valuation of the Reported Fe in Magnetite Resources in the Mengapur Project

Fe Resource (as reported)	Contained Fe (t)	USD$	Valuation (USD$ million)		
			Low	Preferred	High
Reserves	0	-	-	-	-
Measured	0	-	-	-	-
Indicated	0	-	-	-	-
Inferred Fe 10.72Mt @ 33.65%	3.6Mt*	116.34/t	0.3	0.4	0.5
Total Valuation (USD$M)			0.3	0.4	0.5

Note: The yardstick valuation uses the iron ore price as at 26 October2020 multiplied by a *recovery of 25% and appropriate rounding has been applied to the resource and the valuation.

Table 14 - Yardstick Valuation of the Cu-Au-Ag and Magnetite Inferred Mineral Resources in the Mengapur Project

Inferred Mineral Resources	Contained	US$/unit	Valuation (USD$ million)		
			Low	Preferred	High
Inferred Copper Resources	Cu-Au-Ag	As in Tables 10,11,12	2.8	3.8	4.70
Inferred Magnetite Resources	Fe	116.34/t	0.3	0.4	0.5
Total Valuation (USD$M)			3.1	4.2	5.2

Note: The yardstick valuation uses the commodity prices as at 26 October2020, with contained magnetite multiplied by a recovery of 25% and appropriate rounding has been applied to the resource and the valuation. Totals may not add due to rounding.

VRM considers the Copper and Magnetite Mineral Resources which are all reported as Inferred resource classification within the Mengapur Project to be valued, based on yardstick approach, at between USD$3.1 million and USD$5.2 million with a preferred valuation of USD$4.2 million.

16. Risks and Opportunities

As with all mineral assets there are several risks and opportunities associated with the Mengapur Project and therefore the valuation of those assets.

16.1 Risks

Some of the non-geological or mining related technical risks and opportunities that are common to most projects include the risks associated with the security of tenure, native title claims, environmental approvals, social, geopolitical and regulatory approval risks. Monument has operated previously in the area and runs other operations in Malaysia, so these risks appear to have been adequately addressed.

Additional risks are associated with obtaining sufficient capital to undertake the potential mining activity. The copper and iron ore market including the price of related commodities and financial markets will have a significant impact on the ability of the company to secure the required funding to profitably exploit the identified mineralisation. These risks are largely outside the control of the company and the commodity markets remain volatile in response to the global COVID-19 pandemic and world politics.

In terms of tenure, VRM has made reasonable enquiries to confirm the current tenement holdings and requested legal advice to assist. Azman Davidson conducted due diligence for Fortress on this aspect and found that while tenement renewals had been made these applications are still being processed by state government agencies for SKC(H)1/2008. VRM considers there remains some tenure risk related to this licence.

Recent preliminary economic assessments of the copper and magnetite Mineral Resource estimates indicate that, in some instances, the current tenement boundaries impose on resulting pit wall extents. The current economic assessments are highly conceptual in nature, and further technical work is required to assess this level of risk.

As with all mineral assets, the management of environmental liabilities has a degree of ecological risk.

In summary, the Project's non-technical risks are:

- Uncertainty associated with the pending tenure status of SDSB's SKC(H)1/2008 exploration license
- Impact of the tenement boundaries on the extraction of the Mineral Resources
- Ongoing management of the historical environmental liabilities

The Inferred Mineral Resource classification implies a significant technical risk to the Project. In the Competent Person's opinion, the current geological evidence is sufficient to imply but not verify the geological and grade (or quality) continuity, particularly of the magnetite mineralisation. Substantial exploration programs have been completed at the Project using industry-standard DD and RC drilling methods, but the drill spacing and orientation are not optimal to define the dimensions of the narrow massive magnetite mineralisation nor the brecciated magnetite mineralisation.

The sample preparation and assaying methods used in the exploration programs are industry-standard, though the related QAQC adequacy is questionable. The Competent Person is of the view that the number of bulk density measurements and metallurgical test work informing the Mineral Resource estimate is adequate to support an Inferred classification. Significant additional bulk density measurements will be required to increase the confidence associated with the Mineral Resource tonnage estimation.

The iron head grade percentage is not a practical guide to the quantity of recoverable magnetite concentrate present in the resource. Other iron-bearing minerals often occur within a magnetite mineral resource that are not recovered using standard magnetite mineral processing methods. Traditional DTR test work on drill samples to determine the percentage mass of recoverable magnetite concentrate is slow and expensive. Currently, a single regression formula determines the percentage 'estimated calculated mass recovery' (ECMR) of magnetite concentrate using the magnetic susceptibility value of each sample. Regression formulas have an associated error due to the spread of the data on which they are based.

Test work conducted to the current date on the skarn and pyrrhotite hosted copper resources indicates that copper recoveries were relatively poor in the oxide material, moderate in sulphide material and inconclusive for transitional material. Gold recoveries were above 90% in oxide material, but results were not definitively presented for transitional and sulphide material. Processing during historical mining was unable to produce a copper sulphide concentrate of sufficient grade. Significant further test work is required to reduce the uncertainty associated with the copper, gold and silver recoveries.

In summary, the Project's technical risks are:

- Insufficient drill density and structural data to assume geological continuity of the massive and brecciated magnetite mineralisation
- Insufficient detail to support mine planning and evaluation of the economic viability of the deposit, in particular:
    - Limited bulk density measurements used to determine tonnage
    - Limited magnetite, pyrrhotite, copper and gold metallurgical test work
    - Limited and historical geotechnical and mining studies
- Uncertainty associated with the accuracy and completeness of the MMSB estimation dataset

16.2 Opportunities

Mengapur is a polymetallic deposit with reported Inferred Mineral Resources of magnetite, copper, gold, silver and pyrrhotite (S). Several previous internal studies indicate positive economic analysis of the current and previous Mineral Resource estimates although Ore Reserves or Mineral Reserves have not been reported. Fortress has an opportunity to revisit and combine the various studies and assess the economic potential of the polymetallic Mineral Resources as a whole.

MMSB has sufficiently sampled the remaining stockpile and dump material located near the historical Mengapur processing plant for the Competent Person to isolate and estimate their grade into the block model. These domains are currently unclassified as there is significant uncertainty with the survey of the stockpile and dump bases.

In the 1980s MMC drilled approximately half of the drilled meters at the Project. Due to uncertainties with the drill collar locations and lack of sampling and drilling metadata, this data is currently not part of the estimation dataset. Clause 20 of the JORC code states, 'A Mineral Resource cannot be estimated in the absence of sampling information'. Locating the relevant original historical MMC drilling records and metadata may double the size of the current exploration dataset.

In summary, the Project's opportunities are:

- Exploiting the combined magnetite, sulphur, copper, gold and silver mineral resources
- Processing the remaining stockpile and dump material
- Doubling the size of the estimation dataset by locating the required historical MMC records

17. Preferred Valuation

Based on the techniques above Table 15 provides a summary of the Mineral Resource valuations using two methods. The preferred valuation for the Mengapur Project is that derived from comparable transactions.

Table 15 - Summary of the Mengapur Project Mineral Resources Valuation

Mengapur Mineral Resource Valuation Summary				
Valuation Technique	Report Section	Lower Valuation (USD$M)	Preferred Valuation (USD$M)	Upper Valuation (USD$M)
Comparable transactions (Cu-Au±Ag and Magnetite)	15.1	$1.8	$3.9	$6.9
Yardstick approach (Cu-Au±Ag and Magnetite)	15.2	$3.1	$4.2	$5.2
Final Preferred Valuation		$1.8	$3.9	$6.9

Note Appropriate rounding has been applied to the resource and the valuation.

VRM's preferred valuation is based on the comparable transaction approach and VRM considers the copper-gold±silver and magnetite Mineral Resources within the Mengapur Project to be valued, based on comparable transactions, at between USD$1.8 million and USD$6.9 million with a preferred valuation of USD$3.9 million.

In addition, the Mengapur site hosts plant and fixed equipment from when the project was previously in operation. As described in Section 10 limited information was supplied in relation to the plant and fixed equipment and photos show an old plant in fairly poor condition with some missing equipment and components. The valuation was as a percentage of new costs taking into consideration the apparent condition of the plant and equipment as evidenced in the photographs.

VRM's associate estimated that at current market value the equipment value would be approximately USD $1 million maximum value before refurbishment; minimum probably USD$200,000. The most likely value is approximately USD$500,000 which is highly dependent on an inspection to determine whether the gearboxes, motors, bearings etc have had water damage and the extent of oxidisation of items such as conveyor belts and rubber lining. The supplied photos do not appear to show this.

Structural steel would have some value but primarily only if used in the current position and in the current plant layout. Scrap value probably ranges from nil, through to using in the same location which could be up to approximately USD$20,000.

Concrete and civil equipment would only be of value if used in the current position of the current plant layout. The maximum value of concrete if all in good condition and able to be used in the existing location would be about USD$800,000; if badly spalled, eroded and if the reinforcing is also corroded it will need to

be removed and completely replaced meaning zero value. If the plant were to be relocated the cost of new civil works would be in the order of USD$1.5 million.

Pipework is dependent on condition and will probably require major rework or complete cabling will be required. Cabling again will depend on condition but could contain approximately USD$50,000 to USD$100,000 worth of copper.

Refurbishment should the plant be able to be reused in its current location would probably be between USD$5 million and $10 million. Any new equipment or modifications to suit a different flowsheet would be extra over this cost as would process engineering to determine the process route and changes required. If any new facilities or changes are required engineering would be additional also.

Laboratory and sample preparation equipment are estimated to range between USD$50,000 to USD$100,000 and buildings are estimated to be worth between USD$50,000 and USD$150,000.

The value of this plant and equipment is summarised in Table 16.

Table 16 - Summary of the Mengapur Project Plant and fixed Property

Mengapur Project Plant and Fixed Property Summary				
Plant / Property / Laboratory / Buildings	Report Section	Lower Valuation (USD$M)	Preferred Valuation (USD$M)	Upper Valuation (USD$M)
As above	10	0.20	0.50	1.00

In VRM's opinion, the mineral assets (including the Cu-Au±Ag and Magnetite Mineral Resources and Plant / Fixed Property) known as the Mengapur Project in Pahang State, Malaysia have a market value of between USD$2.0 million and USD$7.6 million with a preferred valuation of USD$4.4 million on a 100% equity basis as summarised in Table 17 and shown in Figure 12.

Table 17 - Summary of the Mengapur Project Valuation

Mengapur Project Valuation Summary				
Valuation Technique	Method	Lower Valuation (USD$M)	Preferred Valuation (USD$M)	Upper Valuation (USD$M)
Copper and Magnetite Mineral Resources	Comparable transactions	$1.8	$3.9	$6.9
Plant / Property / Laboratory / Buildings	Market	$0.2	$0.5	$1.0
Final Preferred Valuation		$2.0	$4.4	$7.9

Note Appropriate rounding has been applied to the resource and the valuation.

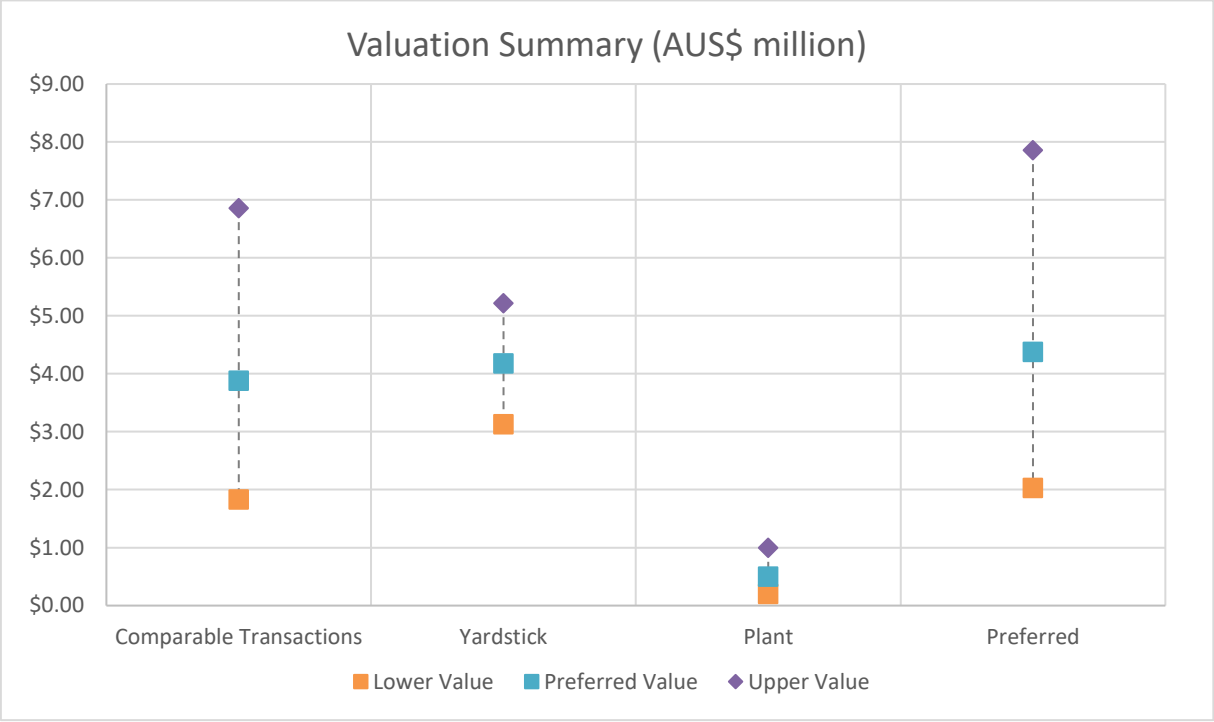

Figure 12 – Valuation Summary of the Mengapur Project

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Glossary

Below are brief descriptions of some terms used in this report. For further information or for terms that are not described here, please refer to internet sources such as Webmineral www.webmineral.com, Wikipedia www.wikipedia.org.

The following terms are taken from the 2015 VALMIN Code

Annual Report means a document published by public corporations on a yearly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

Australasian means Australia, New Zealand, Papua New Guinea and their off-shore territories.

Code of Ethics means the Code of Ethics of the relevant Professional Organisation or Recognised Professional Organisations.

Corporations Act means the Australian Corporations Act 2001 (Cth).

Experts are persons defined in the Corporations Act whose profession or reputation gives authority to a statement made by him or her in relation to a matter. A Practitioner may be an Expert. Also see Clause 2.1.

Exploration Results is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to http://www.jorc.org for further information.

Feasibility Study means a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-feasibility Study.

Financial Reporting Standards means Australian statements of generally accepted accounting practice in the relevant jurisdiction in accordance with the Australian Accounting Standards Board (AASB) and the Corporations Act.

Independent Expert Report means a Public Report as may be required by the Corporations Act, the Listing Rules of the ASX or other security exchanges prepared by a Practitioner who is acknowledged as being independent of the Commissioning Entity. Also see ASIC Regulatory Guides RG 111 and RG 112 as well as Clause 5.5 of the VALMIN Code for guidance on Independent Expert Reports.

Information Memoranda means documents used in financing of projects detailing the project and financing arrangements.

Investment Value means the benefit of an asset to the owner or prospective owner for individual investment or operational objectives.

Life-of-Mine Plan means a design and costing study of an existing or proposed mining operation where all Modifying Factors have been considered in sufficient detail to demonstrate at the time of reporting that extraction is reasonably justified. Such a study should be inclusive of all development and mining activities proposed through to the effective closure of the existing or proposed mining operation.

Market Value means the estimated amount of money (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing wherein the parties each acted knowledgeably, prudently and without compulsion. Also see Clause 8.1 for guidance on Market Value.

Materiality or being Material requires that a Public Report contains all the relevant information that investors and their professional advisors would reasonably require, and reasonably expect to find in the report, for the purpose of making a reasoned and balanced judgement regarding the Technical Assessment or Mineral Asset Valuation being reported. Where relevant information is not supplied, an explanation must be provided to justify its exclusion. Also see Clause 3.2 for guidance on what is Material.

Member means a person who has been accepted and entitled to the post-nominals associated with the AIG or the AusIMM or both. Alternatively, it may be a person who is a member of a Recognised Professional Organisation included in a list promulgated from time to time.

Mineable means those parts of the mineralised body, both economic and uneconomic, that are extracted or to be extracted during the normal course of mining.

Mineral Asset means all property including (but not limited to) tangible property, intellectual property, mining and exploration Tenure and other rights held or acquired in connection with the exploration, development of and production from those Tenures. This may include the plant, equipment and infrastructure owned or acquired for the development, extraction and processing of Minerals in connection with that Tenure.

Most Mineral Assets can be classified as either:

(a) Early-stage Exploration Projects – Tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified;

(b) Advanced Exploration Projects – Tenure holdings where considerable exploration has been undertaken and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category;

(c) Pre-Development Projects – Tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made

not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken;

(d) Development Projects – Tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a Pre-Feasibility Study;

(e) Production Projects – Tenure holdings – particularly mines, wellfields and processing plants – that have been commissioned and are in production.

Mine Design means a framework of mining components and processes taking into account mining methods, access to the Mineralisation, personnel, material handling, ventilation, water, power and other technical requirements spanning commissioning, operation and closure so that mine planning can be undertaken.

Mine Planning includes production planning, scheduling and economic studies within the Mine Design taking into account geological structures and mineralisation, associated infrastructure and constraints, and other relevant aspects that span commissioning, operation and closure.

Mineral means any naturally occurring material found in or on the Earth's crust that is either useful to or has a value placed on it by humankind, or both. This excludes hydrocarbons, which are classified as Petroleum.

Mineralisation means any single mineral or combination of minerals occurring in a mass, or deposit, of economic interest. The term is intended to cover all forms in which mineralisation might occur, whether by class of deposit, mode of occurrence, genesis or composition.

Mineral Project means any exploration, development or production activity, including a royalty or similar interest in these activities, in respect of Minerals.

Mineral Securities means those Securities issued by a body corporate or an unincorporated body whose business includes exploration, development or extraction and processing of Minerals.

Mineral Resources is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to http://www.jorc.org for further information.

Mining means all activities related to extraction of Minerals by any method (e.g. quarries, open cast, open cut, solution mining, dredging etc).

Mining Industry means the business of exploring for, extracting, processing and marketing Minerals.

Modifying Factors is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to http://www.jorc.org for further information.

Ore Reserves is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to http://www.jorc.org for further information.

Petroleum means any naturally occurring hydrocarbon in a gaseous or liquid state, including coal-based methane, tar sands and oil-shale.

Petroleum Resource and Petroleum Reserve are defined in the current version of the Petroleum Resources Management System (PRMS) published by the Society of Petroleum Engineers, the American Association of Petroleum Geologists, the World Petroleum Council and the Society of Petroleum Evaluation Engineers. Refer to http://www.spe.org for further information.

Practitioner is an Expert as defined in the Corporations Act, who prepares a Public Report on a Technical Assessment or Valuation Report for Mineral Assets. This collective term includes Specialists and Securities Experts.

Preliminary Feasibility Study (Pre-Feasibility Study) means a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors that are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.

Professional Organisation means a self-regulating body, such as one of engineers or geoscientists or of both, that:

(a) admits members primarily on the basis of their academic qualifications and professional experience;

(b) requires compliance with professional standards of expertise and behaviour according to a Code of Ethics established by the organisation; and

(c) has enforceable disciplinary powers, including that of suspension or expulsion of a member, should its Code of Ethics be breached.

Public Presentation means the process of presenting a topic or project to a public audience. It may include, but not be limited to, a demonstration, lecture or speech meant to inform, persuade or build good will.

Public Report means a report prepared for the purpose of informing investors or potential investors and their advisers when making investment decisions, or to satisfy regulatory requirements. It includes, but is not limited to, Annual Reports, Quarterly Reports, press releases, Information Memoranda, Technical Assessment Reports, Valuation Reports, Independent Expert Reports, website postings and Public Presentations. Also see Clause 5 for guidance on Public Reports.

Quarterly Report means a document published by public corporations on a quarterly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

Reasonableness implies that an assessment which is impartial, rational, realistic and logical in its treatment of the inputs to a Valuation or Technical Assessment has been used, to the extent that another Practitioner with the same information would make a similar Technical Assessment or Valuation.

Royalty or Royalty Interest means the amount of benefit accruing to the royalty owner from the royalty share of production.

Securities has the meaning as defined in the Corporations Act.

Securities Expert are persons whose profession, reputation or experience provides them with the authority to assess or value Securities in compliance with the requirements of the Corporations Act, ASIC Regulatory Guides and ASX Listing Rules.

Scoping Study means an order of magnitude technical and economic study of the potential viability of Mineral Resources. It includes appropriate assessments of realistically assumed Modifying Factors together with any other relevant operational factors that are necessary to demonstrate at the time of reporting that progress to a Pre-Feasibility Study can be reasonably justified.

Specialist are persons whose profession, reputation or relevant industry experience in a technical discipline (such as geology, mine engineering or metallurgy) provides them with the authority to assess or value Mineral Assets.

Status in relation to Tenure means an assessment of the security of title to the Tenure.

Technical Assessment is an evaluation prepared by a Specialist of the technical aspects of a Mineral Asset. Depending on the development status of the Mineral Asset, a Technical Assessment may include the review of geology, mining methods, metallurgical processes and recoveries, provision of infrastructure and environmental aspects.

Technical Assessment Report involves the Technical Assessment of elements that may affect the economic benefit of a Mineral Asset.

Technical Value is an assessment of a Mineral Asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a Practitioner, excluding any premium or discount to account for market considerations.

Tenure is any form of title, right, licence, permit or lease granted by the responsible government in accordance with its mining legislation that confers on the holder certain rights to explore for and/or extract agreed minerals that may be (or is known to be) contained. Tenure can include third-party ownership of the Minerals (for example, a royalty stream). Tenure and Title have the same connotation as Tenement.

Transparency or being Transparent requires that the reader of a Public Report is provided with sufficient information, the presentation of which is clear and unambiguous, to understand the report and not be misled by this information or by omission of Material information that is known to the Practitioner.

Valuation is the process of determining the monetary Value of a Mineral Asset at a set Valuation Date.

Valuation Approach means a grouping of valuation methods for which there is a common underlying rationale or basis.

Valuation Date means the reference date on which the monetary amount of a Valuation in real (dollars of the day) terms is current. This date could be different from the dates of finalisation of the Public Report or the cut-off date of available data. The Valuation Date and date of finalisation of the Public Report must not be more than 12 months apart.

Valuation Methods means a subset of Valuation Approaches and may represent variations on a common rationale or basis.

Valuation Report expresses an opinion as to monetary Value of a Mineral Asset but specifically excludes commentary on the value of any related Securities.

Value means the Market Value of a Mineral Asset.

Appendix A - Comparable Cu Transactions on MTR basis

Comparable Cu Projects - Resource Multiples													
Date	Project	Buyer	Seller	Value (USD$ million) 100% basis	Cu Price at Transaction Date (USD$/lb)	Exchange Rate	Resources (Mt)	Grade Cu (%)	Grade Au (g/t)	Grade Ag (g/t)	Grade other (%)	Total Contained Metal Value (USD$M)	Normalised Cu MTR
29/10/2019	Oracle Ridge Skarn - USA	Eagle Mountain	Oracle Ridge	4.63	2.65	1	11.7	1.57%		17.47		$1,402.81	0.33%
9/04/2019	Tererro - USA	New World Cobalt	Vendor Prospectors	1.28	2.92	1	5.78	1.02%	1.96	21.4	1.46% Zn, 0.25% Pb	$1,424.90	0.09%
13/10/2017	White Range - Australia	Moly Mines	Qld Mining Corp	41.79	3.10	1.2683	30.0	0.80%	0.20			$1,990.59	2.08%
22/08/2017	Minera Tres Velles - Chile	Sprott Resources	Vecchiola	57.00	3.02	1	40.7	0.81%				$2,231.27	2.60%
24/05/2017	Stellar Skarn - Alaska USA	Coventry	Vista Minerals	9.81	2.56	1.3401	1.5	2.90%	4.5			$706.41	1.66%
24/04/2017	Barbara - Australia	CopperChem	Syndicated Minerals	3.48	2.55	1.3230	4.75	1.59%	0.15	2.57	0.03% Co	$611.69	0.68%
17/03/2017	Mt Gunson - Australia	Gindalbie	Torrens Mining	4.21	2.68	1.3002	20.3	1.00%		10	0.05% Co	$1,870.79	0.26%
14/02/2017	Haib - Namibia	Deep South	Teck	9.15	2.73	1.3090	230	0.37%				$5,759.73	0.18%
15/12/2016	Elaine-Dorothy - Australia	Hammer	Chinalco	0.05	2.55	1.3621	27.0	0.53%	0.08			$1,100.37	0.01%
13/09/2016	Develin Ck - Australia	Zenith	4DS Memory	0.09	2.12	1.3390	2.57	1.76%	0.24	9.6	2.01% Zn	$493.06	0.03%
23/08/2016	Thaduna - Australia	Sandfire	Ventnor	3.52	2.12	1.3103	8.2	1.57%		0.37		$1,001.35	0.51%

The resource MTR multiples have been normalised to the Copper price of USD$3.07/lb as at the valuation date.

The normalised MTR ratios (excluding highest and lowest) range from a minimum of 0.03% to a maximum of 2.08%, with an average of 0.65% and a median of 0.38%. The 25th percentile is 0.18% and the 75th percentile is 0.68% which were used with the median to derive the valuation by this method.

Appendix B - Comparable Magnetite Transactions

Comparable Cu Projects - Resource Multiples											
Date	Project	Buyer	Seller	Value (USD$ million) 100% basis	Fe Price at Transaction Date (USD$/t)	Exchange Rate	Resources (Mt)	Grade Fe (%)	Contained Fe (Mt)	Resource Multiple (USD$t)	Normalised Resource Multiple (USD$/t)
29/01/2017	Canavial - Brazil	Undisclosed	Atlas	0.73	80.13	1	27.6	33.6%	9.3	0.08	0.09
29/01/2017	Itambe - Brazil	Undisclosed	Atlas	0.73	80.13	1	10	37.1%	3.7	0.20	0.22
28/07/2017	Posse - Brazil	Inter Invest	Posse Mine	2.54	65.87	1	36	43.4%	15.6	0.16	0.23
22/12/2014	Yogi - Australia	Padbury Mining	Ferrowest Ltd	0.92	68.67	0.814	572.5	27.50%	157.4	0.01	0.01
10/09/2014	Mt Woods - Australia	Cu-River Mining	IMX Resources	4.02	84.52	0.915	568.9	27.11%	154.2	0.03	0.03
24/04/2014	Yerecoin – Australia	Radar Iron Ltd	Cliffs / Nippon	4.04	114.58	0.928	404	28.57%	114.3	0.04	0.03
09/12/2013	Mt Philip - Australia	Developed Iron Ore	Midas Resources	1.65	135.79	0.908	19.1	41.42%	7.9	0.21	0.16

The resource multiples have been normalised to the iron ore price of USD$116.34/lb as at the valuation date.

The normalised multiples range from a minimum of USD$0.01/t contained Fe to a maximum of USD$0.23/t, with an average of USD$0.11/t and a median of USD$0.09/t. The 25th percentile is USD$0.03/t and the 75th percentile is USD$0.22/t. The median value was used to derive the preferred valuation by this method with the upper and lower values calculated as plus and minus 50% respectively.