

# METAL BANK LIMITED

## ACN 127 297 170

### ENTITLEMENT OFFER PROSPECTUS

2 for 3 pro-rata renounceable entitlement offer to Eligible Shareholders at the Offer Price of \$0.008 per New Share, plus one free attaching New Option for every two New Shares applied for exercisable at \$0.016 per New Option on or before the New Option Expiry Date.

The Entitlement Offer is partially underwritten by Mahe Capital Pty Limited for \$5 million.

**The Entitlement Offer closes at 5.00pm Melbourne time on Wednesday, 1 December 2021**

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR OUTSIDE OF AUSTRALIA OR NEW ZEALAND**

#### IMPORTANT NOTICE

This is an important document that should be read in its entirety. If after reading this Prospectus you have any questions about the New Shares or New Options being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant, or other professional adviser. **The New Shares and New Options being offered by this Prospectus should be considered highly speculative.**

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## **CORPORATE DIRECTORY**

### **DIRECTORS AND MANAGEMENT**

Inés Scotland - Executive Chair  
Guy Robertson – Executive Director  
Sue-Ann Higgins – Executive Director and Company Secretary

Rhys Davies – Exploration Manager

### **REGISTERED OFFICE**

#### **Metal Bank Limited**

Suite 506, Level 5  
50 Clarence Street  
Sydney NSW 2000  
AUSTRALIA

Phone: +61 2 9078 7669  
Email: [info@metalbank.com.au](mailto:info@metalbank.com.au)

Website: <http://www.metalbank.com.au>

### **AUDITORS \***

RSM Australia Pty Ltd  
Level 13, 60 Castlereagh Street  
Sydney NSW 2000

### **SHARE REGISTRY\***

#### **Automic Group Pty Ltd**

Level 5, 126 Phillip Street Sydney NSW 2000

Phone:  
1300 288 664 (within Australia)  
+61 2 9698 5414 (international)

Email: [hello@automic.com.au](mailto:hello@automic.com.au)  
Web site: [www.automic.com.au](http://www.automic.com.au)

\*These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.

## **IMPORTANT INFORMATION**

This Prospectus is dated 25 October 2021 and was lodged with ASIC on that date. ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which the Prospectus relates. No Securities will be issued or allotted on the basis of this Prospectus later than 13 months after the date this Prospectus was lodged with ASIC.

Application has been made or will be made to ASX within seven days after the date of this Prospectus for quotation of the New Securities offered pursuant to this Prospectus. That ASX may grant quotation of the New Securities offered under this Prospectus is not to be taken in any way as an indication of the merits of the Company or those New Securities. ASX takes no responsibility for the contents of this Prospectus, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss arising from or in reliance upon any part of the content of the Prospectus.

This Prospectus is a transaction specific prospectus and has been prepared in accordance with section 713 of the Corporations Act which allows the issue of a more concise prospectus in relation to an offer of continuously quoted securities. It does not contain the same level of disclosure as an initial public offering prospectus and may not contain, by itself, all information relevant to a decision to invest in the Company. In preparing the Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporation Act and that certain matters may reasonably be expected to be known to Investors and professional advisers whom Investors may consult. This Prospectus is intended to be read in conjunction with publicly available information.

### **Note to prospective Investors**

The information contained in this Prospectus is not financial product advice and does not take into account the investment objectives, financial situation or particular needs of any prospective Investor. It is important that any prospective Investor reads this Prospectus carefully and in full before deciding whether to invest in the Company.

In considering the prospects of the Company, a prospective Investor should consider the risks that could affect the financial performance or position of the Company. A prospective Investor should carefully consider these risks in the light of their investment objectives, financial situation and particular needs (including financial and taxation issues) and seek professional advice from their accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest. There are risks of investing in the Company outlined in Section 5 of this Prospectus, but there may be risk factors in addition to these that should be considered in the light of your personal circumstances.

No person named in this Prospectus, nor any other person, guarantees the performance of the Company, the repayment of capital by the Company or the payment of a return on the Securities offered under this Prospectus or Shares issued on exercise of New Options. No person is authorised to give any information or make any representation in connection with the Offers which is not contained in this Prospectus.

The Entitlement Offer is renounceable and accordingly, your right to acquire New Securities under the Offers is transferrable.

Eligible Shareholders should carefully read and follow the instructions in this Prospectus and the accompanying personalised Entitlement and Acceptance Form (as defined below) when making the decision whether to accept your Entitlement (and apply for Additional New Securities under Top Up Facility, if applicable) and/or whether to sell all or part of your Entitlements.

### **Obtaining a copy of this Prospectus**

This Prospectus may be obtained from the Company's website at <http://www.metalbank.com.au>. The website and its contents do not form part of this Prospectus and are not to be interpreted as part of, nor incorporated into, this Prospectus.

Shareholders in jurisdictions other than Australia or New Zealand (including the United States), or who are, or are acting for the account or benefit of, a person in the United States or such other jurisdictions are not entitled to access the electronic version of this Prospectus. Eligible Shareholders who access the electronic version of this Prospectus on the Company's website should ensure they download and read the entire Prospectus. You may obtain a hard copy of this Prospectus by contacting the Company on [info@metalbank.com.au](mailto:info@metalbank.com.au).

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus.

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

### **Statements of past performance**

Past performance and pro forma financial information included in this Prospectus is given for illustrative purposes only and should not be relied upon as (and is not) an indication of the Company's views on its future financial performance or condition. Investors should note that past performance, including past Share price performance, of the Company cannot be relied upon as an indicator of (and provides no guidance as to) the Company's future performance including future Share price performance. The historical information included in this Prospectus is, or is based on, information that has previously been released to the market.

### **Foreign Jurisdictions**

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the New Shares and New Options or the Offers, or to otherwise permit a public offering of the New Securities under the Offers, in any jurisdiction outside Australia and New Zealand.

The distribution of this Prospectus outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus outside Australia and New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. For further details regarding foreign jurisdictions, refer to Sections 7.11 – 7.13, inclusive.

In particular, the New Shares, New Options or Additional New Securities, if any, have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States unless those Securities, if any are registered under the US Securities Act, or offered or sold in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

### **Forward Looking Statements**

Some of the statements appearing in this document may be in the nature of forward looking statements. Past performance is not a guide to future performance. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and such deviations are both normal and to be expected.

Neither the Company nor any of its officers, or any person named in this document or involved in the preparation of this document, make any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, and prospective Investors are cautioned not to place undue reliance on those statements.

The forward looking statements in this document reflect views held only as at the date of this document. The Company does not have an obligation to disseminate after the date of this document any updates or revisions to any such statements to reflect any change in expectations in relation to those statements or any change in events, conditions or circumstances on which any of those statements are based unless required to do so under the Corporations Act to update or correct this document or pursuant to the Company's continuous disclosure obligations under the Listing Rules and the Corporations Act.

### **Privacy statement**

If you complete an Entitlement and Acceptance Form or Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Securityholder and to facilitate distribution payments and corporate communications to you as a Securityholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry. You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the Share Registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information are governed by legislation including the Privacy Act 1988, the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should

note that if you do not provide the information required on the Entitlement and Acceptance Form or an Application Form, the Company may not be able to accept or process your application.

#### **Trading New Securities**

It is expected that the New Shares and New Options will be quoted on ASX. The Company, the Underwriter and the Share Registry disclaim all liability, whether in negligence or otherwise, to persons who trade New Shares or New Options before receiving their holding statements.

#### **Defined Terms**

A number of defined terms are used in this Prospectus. Unless the contrary intention appears or the context requires otherwise, words and phrases are as defined in the glossary in Section 9. The financial amounts in this Prospectus are expressed in Australian dollars unless otherwise stated. Any discrepancies between the totals and sums of components in tables contained in this Prospectus are due to rounding.

#### **Disclaimer**

No person is authorised to give any information, or to make any representation in connection with the Offers, that is not contained in or incorporated by reference into this Prospectus. Any information or representation not contained in this Prospectus may not be relied upon as having been authorised by the Company in connection with the Offers. Neither the Company nor any other person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Prospectus.

Dear Shareholder

On 25 October this year<sup>1</sup>, Metal Bank Limited (**MBK**, or the **Company**) announced that it had entered into an agreement to acquire Kingston Resources Limited's 75% interest in the advanced Livingstone gold project in Western Australia (**Livingstone Project**), subject to a number of conditions precedent including the Company completing a capital raising of a minimum of \$6 million.

Following the acquisition of the Livingstone Project, MBK will hold a significant portfolio of advanced copper and gold exploration projects, with substantial growth upside, including,

- a 75% interest in the Livingstone Project;
- an exclusive option to earn up to 80% in the Millennium Copper & Cobalt project in Queensland; and
- the 8 Mile, Wild Irishman and Eidsvold projects in South East Queensland where significant work has been done by MBK to date towards identifying IRGS Bulk tonnage targets.

In addition, we are continuing our efforts in the MENA region to secure an advanced copper exploration project.

The Board of MBK is now pleased to present this Prospectus for a pro-rata, renounceable entitlement offer (**Entitlement Offer**) of 2 New Shares in the Company for every 3 Shares held by Eligible Shareholders on the Record Date (5.00pm AEDT on 28 October 2021), at the Offer Price of \$0.008 per New Share together with 1 New Option for every 2 New Shares subscribed for, to raise up to approximately \$6.34 million (before costs).

The Offer Price of \$0.008 represents:

- a 20% discount to the last traded price of Shares of \$0.010; and
- a discount of 17% to the company's 15 day VWAP of \$0.0097; and
- a 15% discount to the 30 day VWAP of \$0.0094,

in each case on (or ending on) 21 October 2021, being the last trading day prior to the announcement of the Capital Raising.

The funds raised will enable the Company to:

- complete the Livingstone Acquisition;
- fund exploration programs at Livingstone and Millennium aimed at substantially increasing JORC Resources at both projects; and
- fund exploration on MBK's South East Qld Gold Projects and ongoing business development activities, including, pursuit of an advanced copper project in the MENA region, and working capital.

### **Overview of the Entitlement Offer**

The Entitlement Offer is being made to all Eligible Shareholders who are registered as a holder of Shares as at 5.00 pm (AEDT) on 28 October 2021 (the **Record Date**).

The Entitlement Offer is renounceable and your Entitlements under the Entitlement Offer may be transferred.

Eligible Shareholders are also invited to apply for Additional New Securities in excess of their Entitlement in accordance with the Top Up Facility described in Section 2.4 of this Prospectus. The Directors have also reserved the right to place any shortfall at their discretion within 3 months of the closing date of the Entitlement Offer via the Shortfall Offer.

The Entitlement Offer is partially underwritten to the amount of \$5 million by Mahe Capital Pty Limited (**Underwriter**) pursuant to an underwriting agreement, the terms of which are summarised in Section 2.13. The Underwriter has also been appointed as Lead Manager for the Offers.

MBK welcomes Kinvest Limited as a cornerstone investor and Sub-underwriter for a total investment of \$3 million. Kinvest Limited is partnering with MBK to secure an advanced copper project in the MENA region. If the Entitlement Offer closes fully subscribed or the amount allocated to Kinvest Limited as Sub-underwriter is less than this amount,

<sup>1</sup> MBK ASX Release "Livingstone Acquisition and Entitlement Offer to raise up to \$6.34M", dated 25 October 2021

Kinvest Limited has confirmed that it will subscribe for all or the balance of its investment amount, as the case may be, by way of Placement following closure of the Entitlement Offer.

In addition to the partial underwriting, MBK's substantial Shareholders and management have confirmed their intention to take up Entitlements for \$1.1 million.

The Entitlement Offer is currently scheduled to close at **5.00 pm (AEDT) on 1 December 2021**. If you wish to subscribe for New Securities under the Entitlement Offer in accordance with this Prospectus, you must ensure that your application and payment is received by this time in accordance with the instructions set out in Section 3.

The Board recommends that you read this Prospectus carefully, and in its entirety, before you decide whether to participate in the Entitlement Offer. There are a number of risks factors that should be considered in relation to making your decision on whether to participate in the Entitlement Offer and further details of some of the key risks are set out in Section 5.

The Board takes the opportunity to thank all Shareholders and new Investors in the Company for their ongoing support of the Company.

Yours sincerely

A handwritten signature in blue ink that reads "Inés Scotland". The signature is written in a cursive, flowing style.

Inés Scotland  
Chair



# 1 Important Dates and Investment Overview

## 1.1 Important Dates

| Event  | Date                          |
|--|-------------------------------|
| Announcement of the Livingstone Acquisition and the Entitlement Offer<br>Lodgement of the Prospectus for the Entitlement Offer with ASIC and ASX   | 25 October 2021               |
| Entitlement Offer "Ex" Date  | 27 October 2021               |
| Rights trading commences   | 27 October 2021               |
| Record Date for the Entitlement Offer  | 5pm (AEDT)<br>28 October 2021 |
| Despatch of Prospectus and personalised Entitlement and Acceptance Forms to Eligible Shareholders under the Entitlement Offer<br>Despatch of the Notice of the AGM                             | 29 October 2021               |
| Opening Date for acceptances of the Entitlement Offer  | 29 October 2021               |
| Rights trading ends  | 24 November 2021              |
| Entitlement Offer New Securities quoted on a deferred settlement basis   | 25 November 2021              |
| Last day to extend the Entitlement Offer Closing Date  | 26 November 2021              |
| Annual General Meeting   | 29 November 2021              |
| Closing Date for acceptances of the Entitlement Offer  | 5pm (AEDT)<br>1 December 2021 |
| Announcement of results of Entitlement Offer   | 7 December 2021               |
| Allotment of New Shares and New Options under the Entitlement Offer<br>Dispatch of holding statements<br>Appendix 2A to be lodged with ASX applying for quotation of all New Securities issued | 8 December 2021               |
| New Shares trading on a normal basis   | 9 December 2021               |
| Settlement of the Livingstone Acquisition <sup>1</sup>   | 10 December 2021              |

Notes:

- Assumes resolution is passed at the AGM approving the issue of the Consideration Securities to Kingston as part of the consideration for the Livingstone Acquisition.

Dates and times in this Prospectus, including the above table, are indicative only and subject to change. Any material changes will be notified to ASX. The Company reserves the right to amend any or all of these dates and times subject to the Corporations Act, the Listing Rules and other applicable laws.

## 1.2 Investment Overview and Key Risks

The information in the Section is a selective overview only. Eligible Shareholders and prospective Investors should read the Prospectus in full before deciding to invest in Securities.

| Question                       | Response   | Where to find more information |
|--------------------------------|--|--------------------------------|
| What is the Entitlement Offer? | The Entitlement Offer provides Eligible Shareholders with the opportunity to subscribe for 2 New Shares for every 3 Shares they hold at the Record Date at the Offer Price of \$0.008 to raise up to \$6,341,698, (before costs), plus one free attaching New Option for every 2 New Shares applied for, free of brokerage or other transaction costs. | Section 2.1                    |

|  |  |   |
|--|--|---|
| What are the terms of the New Options?                                     | New Options are exercisable at \$0.016 per New Option on or before the New Option Expiry Date of 7 December 2023.  | Detailed terms are set out in Section 6.2 |
| Am I eligible to participate in the Entitlement Offer?                     | Only Eligible Shareholders are entitled to participate in the Entitlement Offer. An Eligible Shareholder is a person: <ul style="list-style-type: none"> <li>• who was a registered holder of Shares as at 5.00pm (AEDT) on the Record Date of 28 October 2021; and</li> <li>• whose registered address was in Australia or New Zealand or, for certain sophisticated, institutional, or other limited numbers of Shareholders, in jurisdictions where the Company is satisfied that it is lawful to make the Entitlement Offer and issue the New Securities under the Entitlement Offer.</li> </ul>                         | Section 2.5                               |
| Do I have to participate in the Entitlement Offer?                         | No. Participation in the Entitlement Offer is optional. If you do not participate, your Entitlement will lapse and your percentage ownership in the Company will be diluted.   | Section 3.7                               |
| Can I transfer my Entitlement to participate in the Entitlement Offer?     | Yes. The Entitlement Offer is renounceable. You can transfer your right to participate to anyone else.   | Section 2.8                               |
| What is the purpose of the funds raised under the Offers?                  | Funds raised from the Entitlement Offer and other Offers will be used to contribute \$2.5M to the completion of the Livingstone Acquisition, with the balance of funds to be used for exploration at the Livingstone Project, the Millennium Project and the Company's other projects, business development activities, costs of the Livingstone Acquisition and the Offers and working capital.   | Section 4.2                               |
| What is the Entitlement Offer Period?                                      | The Opening Date is 29 October 2021 and the Closing Date is 5.00 pm (AEDT) on 1 December 2021.   | Section 1.1 – Timetable<br>Section 2.1    |
| Is the Entitlement Offer underwritten                                      | The Entitlement Offer is partially underwritten to the amount of \$5 million on the terms set out in Section 2.13.   | Section 2.13                              |
| What key risk factors should be considered?                                | There are a number of risk factors that should be considered by a prospective Investor in the Company, both of a general nature and specific to the Company, that may affect the Company's performance, operations and the market price of its Shares. Section 5 provides details of some of the key risk factors, including risks associated with the proposed Livingstone Acquisition, financing risks and risk associated with the Company's operations and other matters. There may be risk factors in addition to those set out in Section 5 and you should consider all risks in light of your personal circumstances. | Section 5                                 |
| How do I apply for New Shares and New Options under the Entitlement Offer? | Applications for New Shares and New Options can be made by Eligible Shareholders following the instructions set out in the personalised Entitlement and Acceptance Form that accompanies this Prospectus and by transferring the subscription amount by electronic funds transfer (EFT) or BPAY® in the manner set out in Section 3.8.   | Section 3                                 |

|   |  |                      |
|---|--|----------------------|
| Can I apply for more than my Entitlement?                         | Yes. Eligible Shareholders are entitled to apply for Additional New Securities in excess of their Entitlements under the Top Up Facility.  | Sections 2.4 and 3.3 |
| What is the effect of the Entitlement Offer on the Company?       | The effect of the Entitlement Offer on the capital structure, financial position and control of the Company is detailed in Section 4.  | Section 4            |
| What happens if there is a shortfall under the Entitlement Offer? | If Entitlements taken up by Eligible Shareholders pursuant to the Entitlement Offer (including the Top Up Facility) or by the Underwriter pursuant to the Underwriting Agreement are less than the number of new Securities available under the Entitlement Offer ( <b>Shortfall Securities</b> ), the Directors reserve the right, subject to the requirements of the Listing Rules and the Corporations Act, to place remaining Shortfall Securities under the Shortfall Offer.  | Section 2.10         |
| How can I obtain more information?                                | <p>If you have further questions or enquiries regarding the Entitlement Offer please contact the Share Registry, on 1300 288 664 (within Australia) or +61 2 9698 5414 (International) between 8:30am and 5:00pm (AEST) or via email to: <a href="mailto:corporate.actions@atomicgroup.com.au">corporate.actions@atomicgroup.com.au</a></p> <p>Any questions concerning the Shortfall Offer should be directed to the Underwriter on +61 8 9466 7100 or via email to: <a href="mailto:info@mahe.capital">info@mahe.capital</a></p> | Section 7.16         |

## 2 Details of the Entitlement Offer

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### 2.1 The Entitlement Offer

The Entitlement Offer consists of a pro-rata renounceable rights issue to Eligible Shareholders of 2 New Shares for every 3 Shares held at the Record Date at an issue price of \$0.008 (0.8 cents) per New Share (**Offer Price**) and 1 free New Option for every 2 New Shares subscribed for under the Entitlement Offer.

If fully subscribed, the Entitlement Offer will raise \$6,341,698 (before costs).

The proposed use of funds raised from the Entitlement Offer is set out in Section 4.2.

The Entitlement Offer is renounceable. Accordingly, an Eligible Shareholder may sell or transfer all or any part of their Entitlement as described in Section 2.8.

Eligible Shareholders may apply for Additional New Securities in excess of their entitlement under the Top Up Facility described in Section 2.4.

Eligible Shareholders will not be required to pay brokerage or other fees in respect of New Shares and New Options acquired under the Offer.

Each New Option has an exercise price of \$0.016 (1.6 cents) and is exercisable on or before 7 December 2023. The terms and conditions of the New Options are set out in Section 6.2.

The Entitlement Offer opens on 29 October 2021 (**Opening Date**) and is scheduled to close at 5.00pm (AEDT) on 1 December 2021 (**Closing Date**), subject to the Company's rights to extend the Entitlement Offer, close the Entitlement Offer early or withdraw the Entitlement Offer.

The Directors have also reserved the right to place any shortfall at their discretion within 3 months of the date of this Prospectus via the Shortfall Offer and to make a Placement over and above any Shortfall in accordance with Section 2.10.

### 2.2 Investment Risks

An investment in the Company should be considered highly speculative. There are a number of risk factors that could potentially impact the Company and its operations. For information about these risks, please refer to Section 5. The risks identified in Section 5 are not exhaustive and Eligible Shareholders should read this Prospectus in full and seek professional advice if they require further information on material risks in deciding whether to subscribe for New Securities.

### 2.3 Underwriting

The Entitlement Offer is partially underwritten to an amount of \$5 million by the Underwriter. A summary of the Underwriting Agreement is set out in Section 2.13.

### 2.4 Top Up Facility

Eligible Shareholders may apply for Additional New Securities (representing New Securities not taken up under the Entitlement Offer) in excess of their Entitlements at the same price as under the Entitlement Offer (**Top Up Facility**).

All Securities to be issued under the Top Up Facility shall be issued on the same terms as the Securities being offered under the Entitlement Offer (including the Offer Price).

The offer of Additional New Securities under the Top Up Facility commences on the same date as the Entitlement Offer commences and will remain open until the Closing Date.

Shareholders wishing to subscribe for Additional New Securities under the Top Up Facility must apply for them in accordance with the instructions in Section 3.3 and the Entitlement and Acceptance Form at the same time as they apply for New Securities under their Entitlement.

The issue of Additional New Securities under the Top Up Facility is at the discretion of the Directors. Should such applications exceed the number of New Securities available, the Directors reserve full discretion as to the allocation of Additional New Securities under the Top Up Facility.

In particular, the Directors reserve the right to issue to an Eligible Shareholder a lesser number of Additional New Securities under the Top Up Facility than the number for which the Applicant applies, or to reject an Application, or to not proceed with placing Securities under the Top Up Facility. Where an application for Additional New Securities under the Top Up Facility is unsuccessful, in whole or in part, relevant Application Monies will be refunded by the Company (without interest) in accordance with the provisions of the Corporations Act.

The Directors will not exercise their discretion to allocate Additional New Securities under the Top Up Facility in a way that results in a Shareholder's voting power exceeding 19.9% of the Company's Shares.

## **2.5 Eligible Shareholders**

The Entitlement Offer is made to Eligible Shareholders. A person will be an Eligible Shareholder if, as at 5.00pm (AEDT) on the Record Date, being 28 October 2021:

- (a) the person is registered in the Company's register of members as the holder of Shares; and
- (b) the person's registered address is in Australia or New Zealand or, for certain sophisticated, institutional, or other limited numbers of Shareholders, in jurisdictions where the Company is satisfied that it is lawful to make the Entitlement Offer and issue the New Shares and New Options under the Entitlement Offer.

The Company reserves the right to determine whether a Shareholder is an Eligible Shareholder or an Ineligible Shareholder.

This Prospectus and the Entitlement and Acceptance Form will only be sent to Eligible Shareholders.

## **2.6 Nominees and custodians**

Nominees, trustees and custodians that hold Shares on behalf of others should note that the Offers are available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares. If any nominee, trustee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to determine whether indirect participation by the beneficiary in the Entitlement Offer does not breach any laws or regulations in the relevant jurisdiction. Return of a duly completed Entitlement and Acceptance Form or Application Form will be taken by the Company to constitute a representation that there has been no breach of those laws and regulations.

## **2.7 No minimum subscription**

There is no minimum subscription under the Entitlement Offer.

## **2.8 Trading of Entitlements**

The Entitlement Offer is made on a 'renounceable' basis, which means that you can sell all or any part of your Entitlement.

Trading of Entitlements will commence on ASX on a deferred settlement basis on 27 October 2021. Sale of your Entitlements must be completed by close of business on 24 November 2021, when trading of Entitlements is expected to cease.

## **2.9 Refunds of excess Application Monies**

Any Application Monies received for more than the number of New Securities issued to you will be refunded as soon as reasonably practicable following the close of the Entitlement Offer. No interest will be paid on

any Application Monies. Payment of any refund will be made by cheque mailed to your address as last recorded in the Company's register of members.

Pending the issue of the New Securities or payment of refunds pursuant to this Prospectus, all Application Monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

## **2.10 Shortfall Offer**

A shortfall may arise if Entitlements taken up by Eligible Shareholders pursuant to the Entitlement Offer (including the Top Up Facility) or by the Underwriter pursuant to the Underwriting Agreement are less than the number of New Securities available under the Entitlement Offer (**Shortfall Securities**).

The Directors reserve the right, subject to the requirements of the Listing Rules and the Corporations Act, to place remaining Shortfall Securities under a separate offer (**Shortfall Offer**).

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three (3) months following the date of this Prospectus. All Securities issued under the Shortfall Offer shall be issued on the same terms as New Securities being offered under the Offer (including the issue price).

The Underwriter will act as Lead Manager in relation to the Shortfall Offer. Investors who are not Eligible Shareholders may apply for Shortfall Securities by submitting an Application Form to the Lead Manager. Queries regarding the Shortfall Offer or requests for an Application Form should be directed to the Lead Manager on +61 8 9466 7100 or via email to: [info@mahe.capital](mailto:info@mahe.capital).

Where there are Shortfall Securities, the allocation of the Shortfall Securities will be determined by the Lead Manager, in consultation with the Directors, at their absolute discretion. The Board will not allocate Securities under the Shortfall Offer to any Investor where the issue of Shares to that Investor would, so far as the Board is aware, result in them having voting power of more than 19.9% in the Shares. The Shortfall Offer will not be extended to any persons for whom Shareholder approval is required, including under Listing Rule 10.11, (including substantial Shareholders of the Company, any Related Party or any of their associates), unless Shareholder approval is obtained as required by Listing Rule 10.11.

There is no guarantee that applicants for Shortfall Securities will receive any New Securities applied for under the Shortfall Offer. The Directors reserve the right to issue to an Applicant a lesser number of Shortfall Securities than the number for which the Applicant applies, or to reject an Application, or to not proceed with placing the Shortfall. Where an application for Shortfall Securities is unsuccessful, in whole or in part, relevant Application Monies will be refunded by the Company (without interest) in accordance with the provisions of the Corporations Act.

## **2.11 Placement following Offer**

If there is demand for New Securities in excess of the number of New Securities available under the Offers, the Directors reserve the right, subject to the requirements of the Listing Rules and the Corporations Act, to place up to 437,500,000 New Shares and 218,750,000 New Options (**Placement Securities**) on the same terms as the New Securities being offered under the Entitlement Offer to sophisticated, professional or institutional investors (**Placement**) to raise up to a maximum amount of \$3.5 million in addition to the Maximum Subscription Amount under the Entitlement Offer. The Company will seek Shareholder approval under Listing Rule 7.1 to the issue of the Placement Securities at the AGM to be held on 29 November 2021. A copy of the Notice for this meeting will be sent to Eligible Shareholders with this Prospectus. If Shareholder approval is not obtained, the Company may issue Placement Securities using its placement capacity under Listing Rules 7.1 and 7.1A.

The Underwriter will act as Lead Manager in relation to the Placement. The allocation of Placement Securities will be determined by the Lead Manager in consultation with the Board at their absolute discretion.

The Board will not allocate Placement Securities to any Investor where the issue of Shares to that Investor would, so far as the Board is aware, result in them having voting power of more than 19.9% in the Shares. The Placement will not be extended to any persons for whom Shareholder approval is required, including

under Listing Rule 10.11, (including substantial Shareholders, any Related Party or any of their associates), unless Shareholder approval is obtained as required by Listing Rule 10.11.

## **2.12 ASX Listing**

Application for Official Quotation of the New Securities offered pursuant to the Entitlement Offer has been made or will be made within seven days of the date of this Prospectus.

If the New Shares are not admitted to Official Quotation by ASX before the expiration of three months after the date of issue of this Prospectus, or such period as varied by ASIC, the Company will not issue any New Shares and will repay all Application Monies for the Entitlement Offer within the time prescribed under the Corporations Act, without interest.

If the New Options are not admitted to Official Quotation, the New Options will still be issued pursuant to the Offers but will be unlisted.

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

## **2.13 Terms of the Underwriting**

The Underwriter has agreed to underwrite the issue of Shortfall Securities (being 625,000,000 New Shares and 312,500,000 New Options) for the Partially Underwritten Amount of \$5 million and to act as Lead Manager for the Shortfall Offer and Placement, if any, pursuant to the terms of the Underwriting Agreement.

The Underwriter is entitled to the following fees:

- Lead Manager Fee of \$60,000, to be paid on completion of the Offers by way of issue of New Shares;
- 15 million New Options upon the closing of the Offers;
- a management fee of 1% of the total amount raised from the Offers;
- an underwriting fee of 5% of the Partially Underwritten Amount, which will not apply to any amounts sub-underwritten by investors introduced to the Offers by the Company, including the Cornerstone Investor; and
- 5% of the amount raised from the Shortfall Offer and Placement, if applicable.

Costs and expenses incurred by the Underwriter in relation to the Offers are also payable by the Company.

The Underwriting Agreement contains the following key terms:

- (a) The underwriting of the Entitlement Offer is conditional upon the satisfaction or waiver by the Underwriter of certain conditions ordinarily found in an agreement of this type, including:
  - (i) the Underwriter being satisfied with the due diligence investigations by the Company in relation to the Offers; and
  - (ii) the Underwriter being satisfied with the form of the Prospectus.
- (b) The Underwriter has the right, in consultation with the Company, to nominate and determine who is to receive the Underwritten Securities.
- (c) The Underwriter will ensure that no person, through participation in sub-underwriting, will acquire a holding of Shares in excess of 19.9% of Shares on issue on completion of the Entitlement Offer.
- (d) The Underwriter will act as Lead Manager for any Shortfall Offer or Placement and as Lead Manager, in consultation with the Company, will have the right to nominate and determine who is entitled to receive New Securities under any Shortfall Offer or Placement.

- (e) The Company has certain obligations which must be satisfied, including lodgement of the Prospectus, ensuring the Prospectus complies with the Corporations Act and Listing Rules, and conducting a due diligence program.
- (f) Representations and warranties are given by the Company under the Underwriting Agreement which are considered usual for agreements of this nature, including in relation to the Company's due diligence enquiries, the conduct of the Company's business, that the Prospectus complies with the Corporations Act, the Company is not in material breach of any provision of the Corporations Act, Listing Rules and other relevant laws, that the Prospectus contains all material information required under the Corporations Act and does not contain any misleading or deceptive information, that the Company has complied with its continuous disclosure requirements, and that during the period of the Offers there will be no Prescribed Occurrence being the events set out in section 652C of the Corporations Act and no further issue of Securities except as disclosed in the Prospectus or to ASX prior to the Underwriting Agreement being entered into.
- (g) The Underwriter may (in certain circumstances, including having regard to the materiality of the relevant event) terminate the Underwriting Agreement, and be relieved of its obligations under the Underwriting Agreement on the occurrence of certain events, including where:
- (i) (indices fall): the All Ordinaries index as published by ASX is at any time after the date of the Underwriting Agreement 7% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement;
  - (ii) (commodities): the price of COMEX gold or NYMEX WTI crude is at any time after the date of the Underwriting Agreement 7% or more below its respective levels as at the close of business on the Business Day prior to the date of the Underwriting Agreement;
  - (iii) (price): the Offer Price is greater than the VWAP of Shares calculated over three consecutive trading days after the date of the Underwriting Agreement;
  - (iv) (misleading prospectus or announcement): it transpires that the Company has made a statement via the ASX that is misleading or deceptive or is likely to mislead or deceive;
  - (v) (adverse change): an event occurs which gives rise to a material adverse effect or any adverse change or any development including a likely material adverse effect after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of the Company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time, where 'material adverse effect' means:
    - (i) a material adverse effect on the outcome of the Offers or on the subsequent market for the Underwritten Securities, including matters likely to have a material adverse effect on a decision of an investor to invest in Underwritten Securities; or
    - (ii) a material adverse effect on the assets, condition, trading or financial position and performance, profits and losses, results, prospects, business or operations of the Company and its subsidiaries either individually or taken as a whole;
  - (vi) (Board and senior management composition): there is a change in the major controlling shareholdings of the Company (other than as a result of the Offers or a matter disclosed in the Prospectus) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to the Company; and
  - (vii) (market condition): A suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.
- (h) The Company has (subject to certain limitations, including where the loss arises through the Underwriter performing its underwriting obligation or where the loss relates to wilful default, fraud or



gross negligence of the person claiming the indemnity) agreed to indemnify the Underwriter and its related bodies corporate and their respective officers, employees and advisers against losses suffered or incurred in connection with the Offers.

- (i) Other terms and conditions which are considered usual for underwriting agreements of this nature.

#### **2.14 Treatment of Ineligible Shareholders and sale of Ineligible Shareholders' Entitlements**

Given the small number of Ineligible Shareholders and the cost of complying with applicable regulations outside Australia and New Zealand, the Company has decided that it would not be reasonable to extend the Entitlement Offer to Ineligible Shareholders. The Prospectus will not be sent to those Shareholders.

For the purposes of Listing Rule 7.7.1(c), the Company has appointed the Underwriter as nominee to arrange for the sale of the Ineligible Shareholders' Entitlements and to account to them for the net proceeds of the sale.

The proceeds of sale (in Australian dollars) will be distributed to the Ineligible Shareholders for whose benefits the Entitlements have been sold in proportion to their shareholdings at the Record Date (after deducting the costs of the sale).

### **3 Actions Required by Eligible Shareholders**

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#### **3.1 What you may do**

Eligible Shareholders and Investors should read this Prospectus in its entirety to make an informed decision on the prospects of the Company and the rights attaching to the New Securities offered by this Prospectus before deciding to apply for New Securities. If you do not understand this Prospectus you should consult your stockbroker, accountant or other professional adviser in order to satisfy yourself as to the contents of this Prospectus.

As an Eligible Shareholder, you may:

- (a) subscribe for all or part of your Entitlement (see Section 3.2);
- (b) subscribe for all of your Entitlement and apply for Additional New Securities in the Top Up Facility (see Section 3.3);
- (c) sell all of your Entitlement (see Section 3.4);
- (d) take up part of your Entitlement and sell the balance on ASX (see Section 3.5);
- (e) take up part of your Entitlement and transfer the balance other than on ASX (see Section 3.6); or
- (f) allow all or part of your Entitlement to lapse (see Section 3.7).

#### **3.2 Subscribe for all or part of your Entitlement**

If you wish to subscribe for all or part of your Entitlement, follow the instructions on the accompanying Entitlement and Acceptance Form and pay the subscription amount by either EFT or BPAY®.

The Entitlement and Acceptance Form sets out the number of New Shares and New Options you are entitled to subscribe for.

#### **3.3 Subscribe for all of your Entitlement and apply for Additional New Securities in the Top Up Facility**

Eligible Shareholders who take up their Entitlement in full may, in addition to their Entitlement, apply for Additional New Securities by paying the relevant subscription amount for your Additional New Securities at

the same time as payment for your full Entitlement in accordance with the Entitlement and Acceptance Form.

Section 2.4 provides details of the manner in which Additional New Securities under the Top Up Facility will be allocated.

### **3.4 Sell all of your Entitlement**

Contact your stockbroker as soon as possible if you wish to sell all of your Entitlement. Refer to Section 2.8 for further details.

Any part of your Entitlement that is not accepted by you or is not sold will lapse.

There is no guarantee that an Eligible Shareholder will be able to sell all or any part of their Entitlement on ASX or that any particular price will be paid for the Entitlements sold on ASX.

### **3.5 Take up part of your Entitlement and sell the balance on ASX**

Follow the instructions on the accompanying Entitlement and Acceptance Form and pay the subscription amount for that number of New Shares for which you wish to accept (being less than as specified on the Entitlement and Acceptance Form) by either EFT or BPAY® and contact your stockbroker in respect of that part of your Entitlement you wish to sell. Refer to Section 2.8 for further details regarding selling your Entitlement.

### **3.6 Take up part of your Entitlement and sell the balance other than on ASX**

Follow the instructions on the accompanying Entitlement and Acceptance Form and pay the subscription amount for that number of New Shares for which you wish to accept (being less than as specified on the Entitlement and Acceptance Form) by either EFT or BPAY® and forward a completed renunciation form (obtainable through your stockbroker or the Share Registry) to the Company's share registry by 5pm AEDT on 24 November 2021.

If you are a Shareholder and hold Shares registered on CHESS, you should contact your sponsoring broker.

### **3.7 Allow all or part of your Entitlement to lapse**

If you are an Eligible Shareholder and do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

If you take no action, your Entitlement will lapse. You will receive no benefit or New Securities and your Entitlement will become Shortfall Securities.

The number of Shares you hold as at the Record Date and the rights attached to those Shares will not be affected if you choose not to accept any of your Entitlement. Your percentage ownership in the Company will be diluted because the issue of New Shares under the Entitlement Offer and the issue of Shares on exercise of New Options under the Entitlement Offer, will increase the total number of Shares on issue.

### **3.8 Payment methods**

#### **Payments may only be made by electronic funds transfer (EFT) or BPAY®**

Your personalised instructions on your Entitlement and Acceptance Form include instructions on how to make payment by EFT or BPAY®. A BPAY® Reference Number is included the form for payments via BPAY® and a unique payment reference number is included in the form for payments by EFT.

If you have more than one shareholding and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of the shareholdings only, use the BPAY® Reference Number or unique payment reference number specific to that shareholding as set out in the applicable Entitlement and Acceptance Form. If you use the same BPAY® Reference Number or

unique payment reference number for more than one of your shareholdings, this will result in your application monies being applied to your Entitlement in respect of only one of your shareholdings.

Shareholders do not need to complete and return the Entitlement and Acceptance Form, however you must ensure that payment is made in accordance with the instructions on the form so that payment is received by no later than 5.00pm AEDT on the Closing Date.

It is your responsibility to ensure that your BPAY® payment or payment by EFT is received by the Share Registry by no later than 5.00pm (AEDT) on the Closing Date. You should be aware that your financial institution may implement earlier cut off times with regards to electronic payment and you should therefore take this into consideration when making payment. The Company will not be responsible for any delays in the receipt of any BPAY® or EFT payment.

### **3.9 No payments by cheque or money order**

In light of the substantial delays in postage times as a result of the COVID-19 virus, and the period the Entitlement Offer is open, it is considered unlikely that Entitlement and Acceptance Forms that are posted with a payment by cheque will be received by the Company in time for the Company to accept under the application. Accordingly, **payments must be made by BPAY® or by EFT** and may not be made by cheque.

As such, **Applicants do NOT need to return their completed Entitlement and Acceptance Forms** to the Company.

### **3.10 Action in relation to Shortfall Offer**

Investors wishing to participate in the Shortfall Offer should contact the Lead Manager to obtain an Application Form on +61 8 9466 7100 or via email to: [info@mahe.capital](mailto:info@mahe.capital).

Refer to Section 2.10 for further details regarding the Shortfall Offer.

### **3.11 Representations and warranties**

By making a payment by BPAY® or EFT for the Offers or the Placement you will be deemed to have:

- (a) acknowledged that you have fully read and understood this Prospectus and the Entitlement and Acceptance Form or Shortfall Application Form in their entirety, and you acknowledge the matters, including the risks summarised in Section 5, and make the warranties and representations and agreements contained in this Prospectus and the Entitlement and Acceptance Form or Shortfall Application Form, as the case may be;
- (b) in respect of the Entitlement Offer, declared that you are an Eligible Shareholder;
- (c) acknowledged that once a BPAY® payment instruction is given or an EFT is made, you may not withdraw your application or funds provided except as allowed by law;
- (d) agreed to apply for and be issued up to the number of New Securities and Additional New Securities for which you have submitted payment, at the Offer Price per New Share;
- (e) acknowledged that the information contained in this Prospectus and your Entitlement and Acceptance Form is not investment advice nor a recommendation that the New Securities are suitable for you given your investment objectives, financial situation or particular needs and that you have made your own enquiries before making an investment decision;
- (f) acknowledged that none of the Company or its related bodies corporate, affiliates and none of its or their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the Company, nor do they guarantee the repayment of capital nor the exercise of any of the Company's discretions referred to in this Prospectus;

- (g) declared that you are in compliance with all relevant laws and regulations (including, without limitation, section 1043A of the Corporations Act and laws and regulations designed to restrict terrorism financing and/or money laundering);
- (h) agreed to provide any requested substantiation of your eligibility to participate in the Offers and your holding of Shares on the Record Date; and
- (i) If you are a sophisticated, professional, institutional or other Shareholder or potential Investor in a jurisdiction outside of Australia or New Zealand and the Entitlement Offer, Shortfall Offer or Placement is extended to you, you further warrant, represent and agree that:
  - (i) it is lawful for the Company to extend the Offers to you and for you to accept the Offers without the Company being required to take any further action in the relevant jurisdiction concerned;
  - (ii) you are responsible for ensuring that your applying for New Shares under the Offers and your receipt of New Options under the Offers does not breach any laws or regulations in the relevant jurisdiction; and
  - (iii) that there has been no breach of any such laws and regulations and all necessary approvals and consents have been obtained by you to the extension of the Offers to you and your acceptance of the Offers.

### **3.12 Enquiries**

Any questions concerning the Entitlement Offer should be directed to the Share Registry, on 1300 288 664 (within Australia) or +61 2 9698 5414 (International) between 8:30am and 5:00pm (AEST), or via email to: [corporate.actions@automicgroup.com.au](mailto:corporate.actions@automicgroup.com.au).

Any questions concerning the Shortfall Offer or the Placement should be directed to the Lead Manager on +61 8 9466 7100 or via email to: [info@mahe.capital](mailto:info@mahe.capital).

## 4 Purpose and Effect of the Offers

### 4.1 Purpose of the Offers

The purpose of the Entitlement Offer is to raise up to approximately \$6,341,698 (assuming maximum subscription) and to provide the Company with a potential source of additional capital if the New Options are exercised.

The purpose of the Placement is to raise up to an additional \$3.5 million and to provide the Company with a potential source of additional capital if the New Options are exercised.

### 4.2 Use of Funds

The funds raised from the Offers are planned to be used in accordance with the table below covering two scenarios:

1. the Entitlement Offer is fully subscribed raising \$6,341,698; and
2. the Placement is made at \$3.5 million in addition to the Maximum Subscription Amount under the Entitlement Offer, with total funds raised from the Offers being \$9,841,698.

| Proposed Use of Funds  | 1. Entitlement Offer fully subscribed | 2. Entitlement Offer and Placement |
|--|---------------------------------------|------------------------------------|
| Livingstone Acquisition cash consideration <sup>1</sup>            | \$2,500,000                           | \$2,500,000                        |
| Livingstone Project exploration programs                           | \$1,250,000                           | \$2,250,000                        |
| Millennium Project exploration programs                            | \$1,000,000                           | \$1,800,000                        |
| South East Qld Gold Projects exploration programs                  | \$300,000                             | \$750,000                          |
| Business Development   | \$300,000                             | \$1,000,000                        |
| Costs of the Offers and Livingstone Acquisition Costs <sup>2</sup> | \$750,000                             | \$987,500                          |
| Working Capital  | \$241,698                             | \$554,198                          |
| <b>Total</b>   | <b>\$6,341,698</b>                    | <b>\$9,841,698</b>                 |

Notes:

1. Assumes resolution is passed at the AGM approving the issue of the Consideration Securities to Kingston as part of the consideration for the Livingstone Acquisition.
2. Refer to Section 7.9 for details regarding estimated costs of the Offers. Figure includes estimated stamp duty on the Livingstone Acquisition.

The above table is a statement of current intentions as of the date of this Prospectus. In each of the scenarios above, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on that basis where appropriate.

It is a condition precedent to settlement of the Livingstone Acquisition that the Company raise a minimum of \$6 million from the Offers and any Placement.

In the event that:

- less than \$6 million is raised from the Offers and any Placement and/or other conditions precedent to settlement of the Livingstone Acquisition are not satisfied or waived; or

- Shareholder Approval is not obtained to issue of the Consideration Securities to Kingston as part of the consideration for the Livingstone Acquisition,

then the Livingstone Acquisition will not proceed. The Offers are not conditional upon Shareholder approval being obtained or the Livingstone Acquisition completing. If any of these events occur, the Board shall apply the actual proceeds raised by the Offers first towards the estimated expenses of the Offers, then towards exploration programs for the Millennium Project and the South East Qld Gold Projects, business development activities and general working capital. The Board reserves the right to alter the priority and proportions in which funds raised are applied.

For further details regarding the terms of the Livingstone Acquisition and Shareholder Approval, please refer to Section 5.1.

If the Company is unable to raise sufficient funds under this Prospectus for the Livingstone Acquisition, or for the other activities contemplated by the proposed use of funds as set out in the table above, the Company may be required to reduce the scope or suspend proposed work programs at its projects or other activities. It may also consider other funding alternatives, including additional equity funding, debt funding, joint venture or farm-out arrangements, alternative funding arrangements (e.g. streaming finance or convertible loan) or asset sales. Please refer to Section 5.2 for further details about the financing risks relating to the Company.

Additional funds may become available to the Company in the event the New Options are exercised on or before the New Option Expiry Date (7 December 2023), however, the Company is not relying on these additional funds for its planned work programs.

### **4.3 Effect of the Capital Raising**

The principal effect of the Entitlement Offer, assuming all Entitlements are accepted, will be to:

- (a) increase the cash reserves by \$6,091,698 (being \$6,341,698 to be raised under the Entitlement Offer less costs of the Entitlement Offer of \$250,000 as set out in Section 7.9) immediately after completion of the Entitlement Offer;
- (b) increase the number of New Shares on issue from 1,189,068,304 at the Record Date to 2,114,280,507 Shares\* (assuming no other Shares are issued between the date of this Prospectus and the Closing Date and including Consideration Shares to be issued to Kingston for the Livingstone Acquisition and Shares to be issued to the Lead Manager in part payment of fees); and
- (c) result in the issue of approximately 473,856,101 New Options (including the Underwriter Options and Consideration Options to be issued to Kingston for the Livingstone Acquisition)\*.

The principal effect of the Placement, assuming \$3.5 million is raised from the Placement, will be to:

- (d) increase the cash reserves by a further \$3,262,500 (being \$3,500,000 to be raised under the Placement less costs of the Placement of \$237,500 as set out in Section 7.9) immediately after completion of the Placement;
- (e) increase the number of New Shares on issue from 2,114,280,507 (as per Section 4.3(b) above) to 2,551,780,507 Shares\* (assuming no other Shares are issued between the Closing Date of the Entitlement Offer and issue of New Securities under the Placement); and
- (f) increase the number of New Options on issue from 473,856,101 (as per Section 4.3(c) above) to 692,606,101 New Options\*.

\*numbers may change slightly due to rounding of entitlements.

As the New Options are being issued for nil consideration, the issue of New Options will not have any immediate effect on the Company's financial position. However, for every New Option that is exercised on or before the New Option Expiry Date, the Company will receive \$0.016 and its issued capital will increase by one Share. These funds are not included in the Use of Funds table in Section 4.2, given the uncertainty around the number of New Options to be ultimately issued and whether and when any of the New Options will be exercised.

If all New Options offered under the Entitlement Offer are issued and all of those New Options are subsequently exercised, the Company will be paid exercise proceeds of approximately \$7,581,698 and an

additional 473,856,101 Shares will be issued. If all New Options offered under the Placement are issued and all of those New Options are subsequently exercised, the Company will be paid exercise proceeds of approximately \$3,500,000 and an additional 218,750,000 Shares will be issued.

#### 4.4 Effect of the Offers on capital structure

The effect of the Offers on the Company's capital structure, assuming the Entitlement Offer is fully subscribed, is set out below:

| Shares   |                      |
|--|----------------------|
| <b>Shares on issue as at the date of this Prospectus</b>   | <b>1,189,068,304</b> |
| New Shares issued pursuant to the Entitlement Offer <sup>1</sup>   | 800,212,203          |
| <b>Total Shares on issue on completion of the Entitlement Offer<sup>1</sup></b>                                    | <b>1,989,280,507</b> |
| New Shares issued as part consideration for the Livingstone Acquisition <sup>2</sup>                               | 125,000,000          |
| <b>Total Shares on issue on completion of the Entitlement Offer and the Livingstone Acquisition</b>                | <b>2,114,280,507</b> |
| New Shares issued pursuant to the Placement <sup>3</sup>   | 437,500,000          |
| <b>Total Shares on issue on completion of the Entitlement Offer, the Livingstone Acquisition and the Placement</b> | <b>2,551,780,507</b> |

**Notes:**

1. Assuming the Entitlement Offer is fully subscribed and no other Shares are issued prior to the Closing Date and subject to rounding of fractional entitlements. Includes New Shares to be issued to Lead Manager in payment of Lead Manager fees.
2. Assumes the issue of Consideration Securities to Kingston is approved by Shareholders at the AGM. Refer to Section 5.1 for additional details regarding the Livingstone Acquisition.
3. Assumes a Placement raising \$3,500,000. Refer to Section 2.11 for additional details regarding the Placement.

| Options   |                    |
|---|--------------------|
| <b>Options on issue as at the date of this Prospectus<sup>1</sup></b>   | <b>165,822,090</b> |
| New Options issued pursuant to the Entitlement Offer <sup>2</sup>   | 396,356,101        |
| Underwriter Options   | 15,000,000         |
| <b>Total New Options on issue on completion of the Entitlement Offer<sup>3</sup></b>                                | <b>411,356,101</b> |
| <b>Total Options on issue on completion of the Entitlement Offer<sup>4</sup></b>                                    | <b>577,178,191</b> |
| New Options issued as part consideration for the Livingstone Acquisition <sup>5</sup>                               | 62,500,000         |
| <b>Total Options on issue on completion of the Entitlement Offer and the Livingstone Acquisition</b>                | <b>639,678,191</b> |
| New Options issued pursuant to the Placement <sup>6</sup>   | 218,750,000        |
| <b>Total Options on issue on completion of the Entitlement Offer, the Livingstone Acquisition and the Placement</b> | <b>858,428,191</b> |

**Notes:**

1. Options exercisable at \$0.015 on or before 31 March 2022.
2. Assuming the Entitlement Offer is fully subscribed and subject to rounding of fractional entitlements.
3. Assuming the Entitlement Offer is fully subscribed, including Underwriter Options and subject to rounding of fractional entitlements.
4. Assumes no existing options are exercisable before completion of the Entitlement Offer.

5. Assumes the issue of Consideration Securities to Kingston is approved by Shareholders at the AGM. Refer to Section 5.1 for additional details regarding the Livingstone Acquisition.
6. Assumes a Placement raising \$3,500,000. Refer to Section 2.11 for additional details regarding the Placement

#### 4.5 Pro-forma statement of financial position

The following pro-forma statements of financial position have been prepared to provide an indication on the effect of the Entitlement Offer on the financial position of the Company assuming the Entitlement Offer is fully subscribed in three scenarios:

- **Unaudited pro-forma – Entitlement Offer**, which excludes the Livingstone Acquisition; and
- **Unaudited pro-forma – Entitlement Offer and Livingstone Acquisition**, which includes the Livingstone Acquisition; and
- **Unaudited pro-forma – Entitlement Offer and Livingstone Acquisition and Placement**, which includes a Placement of \$3.5 million in addition to the above.

The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

The unaudited pro-forma statements of financial position as at 30 June 2021 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

|  | <b>Audited<br/>30 June 2021<sup>1</sup></b> | <b>Unaudited<br/>Pro-forma –<br/>Entitlement<br/>Offer<sup>2</sup></b> | <b>Unaudited Pro-<br/>forma – EO and<br/>Livingstone<br/>Acquisition<sup>3</sup></b> | <b>Unaudited Pro-<br/>forma – EO and<br/>Livingstone<br/>Acquisition and<br/>Placement<sup>4</sup></b> |
|--|---|--|--|--|
| <b>Current assets</b>                  |   |  |  |  |
| Cash                                   | 1,000,615                                   | 7,092,313  | 4,092,313  | 7,354,813  |
| Trade and other receivables            | 133,738                                     | 133,738  | 133,738  | 133,738  |
| Other current assets                   | 1,250                                       | 1,250  | 1,250  | 1,250  |
| <b>Total current assets</b>            | <b>1,135,603</b>                            | <b>7,227,301</b>   | <b>4,227,301</b>   | <b>7,489,801</b>   |
| <b>Non-current assets</b>              |   |  |  |  |
| Plant and equipment                    | 3,323                                       | 3,323  | 3,323  | 3,323  |
| Exploration and evaluation expenditure | 3,829,304                                   | 3,829,304  | 6,829,304  | 6,829,304  |
| Other financial assets                 | 6,000,000                                   | 6,000,000  | 6,000,000  | 6,000,000  |
| <b>Total non-current assets</b>        | <b>9,832,627</b>                            | <b>9,832,627</b>   | <b>12,832,627</b>  | <b>12,832,627</b>  |
| <b>TOTAL ASSETS</b>                    | <b>10,968,230</b>                           | <b>17,059,928</b>  | <b>17,059,928</b>  | <b>20,322,428</b>  |
| <b>Current liabilities</b>             |   |  |  |  |
| Creditors and borrowings               | 166,234                                     | 166,234  | 166,234  | 166,234  |
| <b>Total current liabilities</b>       | <b>166,234</b>                              | <b>166,234</b>   | <b>166,234</b>   | <b>166,234</b>   |
| <b>TOTAL LIABILITIES</b>               | <b>166,234</b>                              | <b>166,234</b>   | <b>166,234</b>   | <b>166,234</b>   |
| <b>NET ASSETS</b>                      | <b>10,801,996</b>                           | <b>16,893,694</b>  | <b>16,893,694</b>  | <b>20,156,194</b>  |
| <b>Equity</b>                          |   |  |  |  |
| Contributed equity                     | 22,879,168                                  | 28,970,866   | 28,970,866   | 32,233,366   |
| Reserves                               | 54,180                                      | 54,180   | 54,180   | 54,180   |
| Accumulated losses                     | (12,131,352)                                | (12,131,352)   | (12,131,352)   | (12,131,352)   |
| <b>TOTAL EQUITY</b>                    | <b>10,801,996</b>                           | <b>16,893,694</b>  | <b>16,893,694</b>  | <b>20,156,194</b>  |



Notes:

1. The audited statement of financial position as at 30 June 2021
2. Assuming the Entitlement Offer is fully subscribed raising \$6,341,698 less the costs of the Offers in Section 7.9 and the Livingstone Acquisition is not completed
3. Assuming the Entitlement Offer is fully subscribed raising \$6,341,698 less the costs of the Offers in Section 7.9 and the Livingstone Acquisition is completed with cash consideration of \$2,500,000 paid and costs of the transaction of \$500,000 (for stamp duty)
4. Assuming as for 3 above and completion of the Placement raising \$3.5 million (less the costs of the Placement in Section 7.9).

#### 4.6 Details of substantial holders

Based on publicly available information, the Company's substantial holders (i.e. holders with a Relevant Interest (either alone or with Associates) in 5% or more of the Voting Shares who have lodged substantial shareholder notices with the Company), as at the date of this Prospectus, their Entitlements under the Entitlement Offer, and their commitment as Sub-underwriter to the Entitlement Offer, if applicable, are set out in the table below, assuming they do not acquire any additional Shares or dispose of any Shares before the Record Date.

| Substantial Holder  | Shares      | % Shareholding at Record Date | Entitlement Shares | Sub-underwriter commitment <sup>3</sup> |
|---|-------------|-------------------------------|--------------------|---|
| Indigo Pearl Capital Limited <sup>1</sup>   | 107,880,780 | 9.07%                         | 71,920,520         |   |
| Stella Adriatica (CI) Ltd <Stella Adriatica A/C                                     | 102,916,581 | 8.66%                         | 68,611,054         |   |
| Kensington Trust Singapore Ltd <Pinnacle Higgins No 2 Retirement Fund> <sup>2</sup> | 66,340,682  | 5.58%                         | 44,227,122         | 6,250,000                               |
| Kensington Trust Singapore Ltd <Pinnacle Lester Retirement Fund>                    | 61,183,283  | 5.15%                         | 40,788,856         |   |

Notes:

1. Inés Scotland, the Company's Chair has a relevant interest in this shareholding.
2. Sue-Ann Higgins, an executive Director of the Company has a relevant interest in this shareholding.
3. No fees are payable to the Underwriter or the Sub-underwriter regarding this commitment.

#### 4.7 Effect of the Offers on control

The potential effect that the Entitlement Offer will have on the control of the Company will depend on various factors. Particularly, the effect on control will depend on the take up by Eligible Shareholders of their Entitlements, the allocation of New Shares via the Top Up Facility, the allocation of New Shares to the Underwriter, and the allocation of New Shares under the Shortfall Offer and/or the Placement.

If all Eligible Shareholders subscribe for their full Entitlement, and there is no Top Up Facility, Shortfall Offer or Placement then each Eligible Shareholder's percentage ownership interest (and voting power) in the Company will remain the same and there will be no effect on the control of the Company.

If an Eligible Shareholder does not take up all of their Entitlement its percentage ownership interest (and voting power) in the Company will be diluted if other Eligible Shareholders participate.

The dilution effect of the Offers on Shareholdings will vary with the number of New Shares taken up by Eligible Shareholders, the number of New Shares taken up in the Top Up Facility, the number of New Shares taken up in the Shortfall Offer, if any and the number of New Shares issued under the Placement, if any.

## **Substantial Shareholders**

Any increase in the voting power of the substantial Shareholders set out in Section 4.6 will depend upon whether they choose to participate in the Entitlement Offer and the extent to which the Entitlement Offer is subscribed, whether they participate in the Top Up Facility, whether they participate in the Shortfall Offer, if any or whether they participate in the Placement, if any.

In relation to substantial Shareholders in which Directors have a relevant interest:

- Kensington Trust Singapore Ltd <Pinnacle Higgins No 2 Retirement Fund> has indicated its intention to take up its full Entitlement under the Entitlement Offer (being 44,227,122 New Shares at a total issue price of \$353,816.98) and act as Sub-underwriter for the amount of \$50,000 for 6,250,000 Additional New Shares. Sue-Ann Higgins, a Director of the Company has a relevant interest in the Shares held by this substantial holder. If this substantial holder is issued its full Entitlement and the maximum sub-underwriting commitment above, its percentage interest in Shares in the Company will decrease from 5.58% at the Record Date to 5.53% assuming the Entitlement Offer is fully subscribed.
- Ines Scotland has a relevant interest in the Shares held by Indigo Pearl Capital Limited. This substantial holder has indicated it may take up all or part of its Entitlement in the Entitlement Offer.

## **The Underwriter**

As detailed in Section 2.13, the Underwriter has agreed to underwrite the Entitlement Offer of up to the issue of 625,000,000 New Shares for the Partially Underwritten Amount. The Underwriter has agreed that no person will acquire, through sub-underwriting the Entitlement Offer, a relevant interest in more than 19.9% of the Shares.

The Underwriter has advised the Company that neither it, nor any of its associates has a relevant interest in any Shares as at the date of this Prospectus.

The Underwriter's relevant interests in the Company following the Entitlement Offer will depend upon the number of New Shares taken up and the number of New Shares subscribed for by Sub-underwriters. If no Entitlement is taken up under the Entitlement Offer (an outcome the Board and the Underwriter consider unlikely), the Underwriter will be required to subscribe for New shares equating to approximately 30% of the issued capital of the Company upon completion of the Entitlement Offer.

## **Cornerstone Investor**

The Cornerstone Investor has agreed to act as Sub-underwriter for a total investment of \$3 million. If the Entitlement Offer closes fully subscribed or the amount allocated to the Cornerstone Investor as Sub-underwriter is less than this amount, the Cornerstone Investor has confirmed that it will subscribe for all or the balance of this investment amount, as the case may be, by way of the Placement following closure of the Entitlement Offer.

In the event the Entitlement Offer does not close fully subscribed and the Cornerstone Investor is allocated its full total investment amount as Sub-underwriter to the Entitlement Offer, the Cornerstone Investor will hold New Shares equating to approximately 17.74% of the issued capital of the Company upon completion of the Entitlement Offer.

In the event the Entitlement Offer closes fully subscribed and the Company makes the Placement raising \$3.5 million, including placement of New Shares to the Cornerstone Investor for \$3 million, the Cornerstone Investor will hold New Shares equating to approximately 14.7% of the issued capital of the Company upon Completion of the Entitlement Offer and the Placement.

## Top 20 Shareholders

The Top 20 Shareholders of the Company as at the last practical date prior to lodgement (being 21 October 2021) are as follows:

| Position | Holder Name  | Holding              | %              |
|----------|--|----------------------|----------------|
| 1        | BERNE NO 132 NOMINEES PTY LTD <600835 A/C>                                     | 107,880,780          | 9.07%          |
| 2        | STELLA ADRIATICA (CI) LTD <STELLA ADRIATICA A/C>                               | 102,916,581          | 8.66%          |
| 3        | KENSINGTON TRUST SINGAPORE LTD <PINNACLE HIGGINS NO 2 RETIREMENT FUND>         | 66,340,682           | 5.58%          |
| 4        | KENSINGTON TRUST SINGAPORE LTD <PINNACLE (LESTER) RETIREMENT FUND>             | 61,183,283           | 5.15%          |
| 5        | CAPRICORN MINING PTY LTD   | 27,500,000           | 2.31%          |
| 6        | BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>                     | 26,639,270           | 2.24%          |
| 7        | KENSINGTON TRUST SINGAPORE LTD <PINNACLE (BUTLIN) RETIRE A/C>                  | 24,285,647           | 2.04%          |
| 8        | MR LUKE CHAD HUNTER  | 15,000,000           | 1.26%          |
| 9        | CUSTODIAL SERVICES LIMITED <BENEFICIARIES HOLDING A/C>                         | 13,505,120           | 1.14%          |
| 10       | BENNELONG RESOURCE CAPITAL PTY LTD   | 10,850,000           | 0.91%          |
| 11       | KIRKY CAPITAL PTY LTD  | 10,000,000           | 0.84%          |
| 11       | MR MATTHEW JAMES SACHR   | 10,000,000           | 0.84%          |
| 11       | COSMOS NOMINEES PTY LTD <THE PLASTICS CENTRE S/F A/C>                          | 10,000,000           | 0.84%          |
| 12       | SEAMOOR PTY LTD  | 9,594,282            | 0.81%          |
| 13       | MR JUSTIN ERIC SCHAFFER  | 9,333,334            | 0.78%          |
| 14       | CITICORP NOMINEES PTY LIMITED  | 9,284,179            | 0.78%          |
| 15       | MR GRAHAM ARTHUR ROBINSON  | 8,210,868            | 0.69%          |
| 16       | CARDA PTY LTD <CARDA SUPER FUND A/C>   | 8,000,000            | 0.67%          |
| 17       | MISS RUTH AMANDA STROPPIANA  | 7,848,608            | 0.66%          |
| 18       | MR TIMOTHY JAMES KIRKWOOD  | 6,500,000            | 0.55%          |
| 18       | MR MICHAEL FRANCIS MCMAHON & MRS SUSAN LESLEY MCMAHON <MCMAHON SUPER FUND A/C> | 6,500,000            | 0.55%          |
| 19       | BNP PARIBAS NOMS PTY LTD <DRP>   | 6,320,863            | 0.53%          |
| 20       | LONGTEMPS PTY LTD <K L & C P BURROW S/F A/C>                                   | 6,000,000            | 0.50%          |
|          | <b>Totals</b>  | <b>563,693,497</b>   | <b>47.41%</b>  |
|          | <b>Total Issued Capital</b>  | <b>1,189,068,304</b> | <b>100.00%</b> |

## 5 Risk factors

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The Securities offered under this Prospectus are considered highly speculative.

There are a number of risk factors that could potentially impact the Company and any investment in the Company. Eligible Shareholders and prospective new Investors should consider the risk factors described below, together with information contained elsewhere in this Prospectus and the publicly available information about the Company, including previous disclosures made by the Company in accordance with its periodic and continuous disclosure obligations, before deciding whether to participate in the Offers.

The below list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by Investors in the Company. Other factors not specifically referred to may in the future materially affect the financial performance of the Company and the value of the New Securities offered under the Offers. Therefore, the New Securities to be issued pursuant to the Offers carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Eligible Shareholders and potential Investors should consult their professional advisers before deciding whether to participate in the Offers.

### 5.1 Risks associated with the proposed Livingstone Acquisition

On 25 October 2021, the Company announced to ASX that it had entered into an agreement with Kingston Resources Limited (**Kingston**) to acquire all of the shares in its wholly owned subsidiary, Westernx, which holds a 75% interest in the Livingstone Project (**Livingstone Acquisition**).

The consideration for the Livingstone Acquisition includes:

- initial consideration of \$3.5 million to be provided at completion of the Livingstone Acquisition (**Completion**) comprising:
  - o \$2.5 million in cash; and
  - o \$1 million in Shares at the Offer Price together with 1 New Option for every 2 New Shares issued (**Consideration Securities**); and
- deferred consideration of \$6.5 million (payable in cash, or at the Kingston's election, in Shares, subject to any necessary Shareholder approval) comprising:
  - o payment of \$1.5 million to be paid on the earlier of:
    - the date when MBK first identifies a JORC Code Mineral Resource of 100,000 ounces or more in aggregate on the Livingstone Project tenements; or
    - 12 months from the date of Completion;
  - o \$1 million to be paid in the event that and when MBK first identifies a JORC Code Mineral Resource of 250,000 ounces or more in aggregate on the Livingstone Project tenements; and
  - o \$4 million to be paid in the event that and when MBK first identifies a JORC Code Mineral Resource of 500,000 ounces or more in aggregate on the Livingstone Project tenements.

For the purposes of determining the milestones for payment of the deferred consideration as set out above, the JORC Code Mineral Resource must be an Inferred, or higher category of gold Mineral Resource verified by an independent Competent Person (as defined in the JORC Code), calculated on an Au Equivalent basis and with a minimum cut-off grade of no less than 0.5 g/t Au.

Completion is subject to a number of conditions precedent, (**Conditions Precedent**) including:

- Shareholder Approval of the issue of the Consideration Securities at the AGM, including for the purposes of ASX Listing Rule 7.1;

- the Company completing a capital raising of a minimum of \$6 million; and
- there being no breach of any vendor's warranty.

As set out above, one of the Conditions Precedent is the Company completing a capital raising of a minimum of \$6 million. The Company may waive this Condition Precedent in its discretion. In the event the Company does not raise this amount from the Offers, and the Company does not waive this Condition Precedent then the Livingstone Acquisition will not proceed.

In the event that \$6 million or more is raised under the Offers, the Company will use its best endeavours to effect Completion as soon as possible after the Closing Date of the Entitlement Offer. However, not all of the Conditions Precedent outlined above, including Shareholder Approval at the AGM are within the control of the Company.

Accordingly, no guarantee is given that:

- (a) the Conditions Precedent will be satisfied; and
- (b) that the Livingstone Acquisition will be completed.

Failure to complete the Livingstone Acquisition may adversely affect the operations, financial position and/or performance of the Company and may affect the market price of its Shares.

Further, the Offers are not conditional upon Shareholder Approval being obtained or the Livingstone Acquisition completing. If any of these events occur, the Board shall apply the actual proceeds raised by the Offers first towards the estimated expenses of the Offers, then towards exploration programs for the Millennium Project and the South East Qld Gold Projects, business development activities and general working capital. The Board reserves the right to alter the priority and proportions in which funds raised are applied.

In its assessment of the Livingstone Acquisition the Company received information in relation to Westernx and the Livingstone Project, some of which the Company will be unable to verify until after the Livingstone Acquisition closes. Further, there may be aspects of Westernx's business or operations or the Livingstone Project of which it is unaware or which were not identified during the Company's assessment of the Livingstone Acquisition.

The Livingstone Project is an exploration project and the Company's assessment of the exploration potential and exploration targets, if any, for this project involves a significant degree of risk which even a combination of experience, knowledge and careful evaluation may not be able to overcome. There is no guarantee that the exploration plans and targets following the Livingstone Acquisition will be as anticipated or achieved. Further, successful exploration depends on a number factors including establishment of resources and reserves within the meaning of the JORC Code, which the Company may not be successful in achieving.

All of these risks associated with the Livingstone Acquisition may adversely affect the operations, financial position and/or performance of the Company and may affect the market price of its Shares.

## **5.2 Financing Risk and Additional Funding**

The Company may not raise sufficient funds from the Offers to fund its planned activities. There is no guarantee that the Offers will be fully subscribed or that there will be any Placement. If the Company is unable to raise sufficient funds under this Prospectus or from the Placement, if any, it may reduce planned exploration programs and/or consider other funding alternatives. These alternatives could include additional equity funding, debt funding, joint venture or farm-out arrangements or alternative funding arrangements (e.g. streaming finance or convertible loan).

The Company as an exploration company will have no operating revenue and is unlikely to generate any revenue from operations in the short to medium term. In the future the Company will require further funding in addition to amounts raised under Offers. The Company's future capital requirements, and the Company's ability to satisfy those requirements, depend on numerous factors, many of which are beyond the control of the Company.

If the Company is unable to obtain additional funding as needed, it may be required to scale back its activities, delay or postpone further exploration and development, or dispose of assets, as the case may be.

The Company's ability to raise additional funds will be affected by the success or otherwise of the exploration activities to be undertaken with the funds raised by the Offers. The success or failure of exploration activities will, along with other factors such as stock market conditions, the price of gold and/or copper, the A\$/US\$ exchange rate and the regulatory environment at the time, all impact on the Company's share price and the capacity or otherwise to raise such funding.

Accordingly, there is no certainty that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company. Any additional equity funding may have a dilutionary impact on a Shareholder's holding in the Company, or a negative impact on the Company's share price. Any funding alternatives, if available, may involve restrictions on the Company's activities.

### **5.3 Executive Management and Key Personnel**

The responsibility of overseeing the day-to-day operations and the Company's strategic management depends substantially on its Directors and senior management. There can be no assurance that there will be no detrimental impact on the Company if one or more of these persons cease their involvement with the Company.

The ability of the Company to achieve its objectives depends on the access to personnel and external contractors who have the required skills and qualifications or who can provide technical expertise and other services. If the Company cannot secure personnel or external contractors or if the services of the present personnel and external contractors cease to become available to the Company, this may affect the Company's ability to achieve its objectives.

### **5.4 Exploration risks**

The mineral tenements of the Company are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. Exploration activities require substantial expenditure on exploration surveys, drilling, sampling, analysis, studies to establish the presence, extent and estimate grade of mineralisation. Even if significant mineralisation is discovered, it may take additional time and substantial financial investment to determine whether sufficient Ore Reserves exist to support a development decision.

There can be no assurance that exploration of the Company's mineral tenements, or any other mineral tenements and mining properties that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title or indigenous process, changing government regulations and many other factors beyond the control of the Company. Losses resulting from any of these risks could have a material adverse effect on the Company's financial resources or could result in a total loss of the assets affected, and accordingly, may affect the market price of Shares.

Increases in exploration and drilling activities may affect the company's ability to recruit skilled personnel. An increase in exploration activity or drilling activity in any region where the Company carries on business may also reduce the availability of equipment and services to the company. The reduced availability of equipment, services and skilled personnel may delay planned exploration and development activities, which may adversely affect operations and increase costs.

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

## **5.5 Exploration costs**

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Increases in exploration and drilling activities may also create cost pressures for services and skilled personnel. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

## **5.6 Title, permit and approval risks**

The mineral tenements and permits held by the Company are subject to the applicable mining acts and regulations in Australia. Mineral tenements and permits are also subject to periodic renewal. There is no guarantee that current or future mineral tenements and mining properties or future applications for production mineral tenements and mining properties will be approved.

Further, if renewed, renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the mineral tenements and mining properties comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

One of the exploration permits for the Livingstone Project (EL52/3403) is due to expire on 29 November 2021. While expenditure commitments on this permit have been met and there is an expectation that renewal of this permit will be granted in the ordinary course, there is no guarantee that renewal will be granted. Loss of this permit may adversely affect the operations, financial position and/or performance of the Company and the market price of its Shares.

Mineral tenements may be subject to compulsory relinquishment requirements. In particular, under the compulsory surrender provisions of section 65 of the *Mining Act 1978 (WA)* all exploration licences applied for on or after 10 February 2006 must be reduced by at least 40 per cent at the end of the sixth year of their term. If EL52/3403 is renewed, the Company will be required to relinquish 40 per cent of the sub blocks comprising the area of the licence. There is no exemption or deferral of the compulsory surrender requirement for exploration licences applied for on or after 10 February 2006. Loss of 40% of the sub blocks comprising this licence may adversely affect the operations of the Company.

In addition to mineral tenements and permits, exploration and mining operations require other regulatory approvals, licences and permits under applicable mining laws, environmental regulations and other laws, such as environment permits, planning approvals, development and construction approvals, water use licences, discharge licences, mine work plan approvals, approvals for vegetation clearing. The success of the Company's operations depends on its ability to obtain (on a timely basis) and maintain all regulatory approvals for its existing and future operations. The process for obtaining regulatory approvals may be delayed due to exercise of government discretions, protracted government decision making, objections from stakeholders and third parties and other matters. Delays or difficulties obtaining relevant approvals or obtaining conditional or limited approvals, may interfere with the Company's current or planned operations which could impact on the financial position and/or performance of the Company.

## **5.7 Failure to satisfy tenement conditions**

Interests in mineral tenements and mining properties in Australia are governed by the mining acts and regulations that are current in the relevant jurisdictions and are evidenced by the granting of licences or leases. Each permit or licence under which exploration activities can be undertaken is issued for a specific term and carries with it annual expenditure and work commitments and reporting obligations, as well as other conditions requiring compliance. Consequently, the Company could lose title to, or its interests in, one or more of its tenements if conditions are not met or if sufficient funds are not available to meet work and expenditure commitments. Any failure to comply with the work commitments or other conditions on which a permit or tenement is held exposes the permit or tenement to forfeiture or may result in it not being renewed as and when renewal is sought.

## **5.8 Mine development and Operational risks**

Possible future development of a mining operation at any of the Company's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, access to transport, infrastructure and economic supplies of power and water, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, pandemics, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions, accidents or other external force majeure events.

No assurance can be given that the Company will achieve commercial viability through successful exploration, development or mining of its projects and treatment of ore. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

## **5.9 Environment risks**

The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds and may cause environmental harm. It is the Company's intention to conduct its activities to the highest standard of environmental obligations, including compliance with all environmental laws, in order to minimise damage to the environment and risk of liability. Nevertheless, there are certain risks inherent in the Company's activities which could subject the Company to extensive liability.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

New environmental laws, regulations or stricter enforcement policies, if implemented, may oblige the Company to incur significant expense and undertake significant investment and which could have a material adverse effect on its business, financial conditions and results of operations.

Further, whether in Australia or any other jurisdiction in which operations may be carried on, following cessation of any production from any future operations, the Company will be required to participate in clean-up programmes resulting from any contamination from operations in which it participates, removal of disused plant and equipment and where necessary, restoring the environment that has been disturbed in the course of operations. The cost of that participation may be considerable if operations result in significant environmental liabilities being incurred. In such a case, any allowance made for rehabilitation may possibly be inadequate.

Relevant government departments from time to time review the environmental bonds that are placed on tenements. The Company is not in a position to know or disclose what future bonding requirements might



be imposed or whether the imposition of any bonding requirement would be detrimental to the funding needs of the Company.

### **5.10 Native title and Cultural Heritage**

The Company's activities in Australia are subject to Native title and heritage legislation. If native title or native title claims exist or native title rights are determined over areas covered by the Company's tenements, the ability of the Company to gain access to mineral tenements, or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

Additionally, cultural heritage legislation may require cultural heritage surveys and clearances before certain activities are undertaken on the Company's tenements and may require agreement with traditional owner groups that may delay proposed activities and result in increased costs. Where designated cultural heritage sites are identified within tenements, the Company must ensure that its operations do not interfere with or impact upon those sites and such sites may lead to restrictions on the areas that the Company will be able to explore and mine.

The Directors will closely monitor the potential effect of native title involving tenements in which the Company has or may have an interest.

### **5.11 Reserve and Resource Estimates**

Resource and reserves estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource and reserves estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. The variables on which estimates of resources and reserves are made include a number of factors and assumptions such as historical production, assumed effects of regulation by government agencies, assumptions regarding future prices and future capital and operating costs, all of which may vary considerably from those initially planned or used in determining any such resources or reserves. Changes in any underlying assumptions that affect either the cost of recovery or the viability of recovery of any resource will affect any calculation of reserves.

No assurance can be given that any mineral reserves and resources that are estimated by the Company will be recovered or that they will be recovered at the rates estimated. Mineral reserve and resource estimates may require revision (either up or down) based on actual production experience. Any future reserve and/or resource figures will be estimates and there can be no assurance that the minerals are present, will be recovered or that it can be brought into profitable production. Furthermore, a decline in the market price for natural resources that the Company may discover or invest in could render reserves containing relatively lower grades of these resources uneconomic to recover and may ultimately result in a restatement of reserves.

The existing resource at the Livingstone Project was estimated under the previous 2004 JORC Code. There is no guarantee that this resource will be converted into an equivalent resource under the JORC Code.

### **5.12 Exploration Targets**

The Company has estimated exploration targets for some of its exploration projects, including the Livingstone Project, the Millennium Project and the South East Qld Gold projects. Exploration targets are conceptual in nature and there is insufficient information to establish whether further exploration will result in the determination of Mineral Resources under the JORC Code. An exploration target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade, relates to mineralization where there has been insufficient exploration to estimate a Mineral Resource under the JORC Code. The potential quantity and grade of an exploration target is conceptual in nature, there has been insufficient exploration to estimate an additional Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource. An exploration target takes no account of geological complexity that may be encountered, possible mining method or metallurgical recovery factors. For each exploration target it should be noted that the currently available data is insufficient spatially in terms of the density of drill holes, and in quality, in terms of the Company's final audit procedures for down hole data, data acquisition and

processing, for the results of analysis to be classified as a Mineral Resource in accordance with the JORC Code. Failure to convert exploration targets into Mineral Resources or Reserves may adversely affect the operations, financial position and/or performance of the Company and the market price of its Shares.

### **5.13 Regulatory risk**

The exploration and mining industry is subject to extensive legislation, regulation and supervision by a number of federal, state and regulatory bodies, including regulations regarding exploration, mining, health and safety, employment, workers' compensation, native title and heritage and environmental matters.

Adverse changes in government policy, including additional compliance obligations, may result in delays, additional time commitment and compliance costs. Failure to observe all relevant regulations could expose the Company to penalties or require the Company to cease or suspend operations or be subject to increased compliance costs and accordingly may adversely affect the operations, financial position and/or performance of the Company and the market price of its Shares.

### **5.14 Access and compensation**

A number of the mineral tenements and mining properties comprising the Company's projects overlap land which is owned by private landowners. In order for the Company to access that land and undertake its proposed activities on that land, including any exploration and/or development of a mine the Company will need to negotiate access and compensation arrangements with the underlying private landholders.

### **5.15 Social and climate change risks**

Establishment of strong relationships with the community and other stakeholders is fundamental to the long term success of the Company's business. Although the Company endeavours to conduct its business in a manner which respects those communities and ensures mutually beneficial outcomes, the Company's activities may have or be perceived to have an adverse impact on local communities, cultural heritage, the environment, or other matters which may result in community concern, adverse publicity, activism, litigation or other adverse actions taken by community, environmental or other action groups. Failure to maintain and build strong relationships and such adverse actions could affect the company's social licence to operate, its reputation and lead to delays and increase costs which may adversely impact on the Company's operations, financial position and/or performance and the market price of its Shares.

Any future mining activities of the Company may be exposed to risks associated with the transition to a lower-carbon economy, including policy and legal risks, technology risks, market risk and reputation risk. Further climate change may result in physical risks, such as changes in water availability and extreme weather changes which may affect the Company's operations, supply chains, transport needs and employee safety.

### **5.16 Industrial relations risks**

The Company may be subject to the risk of employment disputes, industrial action and work stoppages by future employees and employees of contractors who provide services which are necessary for the continued operation of the Company's operations, which may have a material adverse effect on the Company.

### **5.17 COVID-19**

The outbreak of the coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

COVID-19 safe work practices have and will continue to be adopted in relation the Company's operations, however, COVID-19 restrictions on movement and activities may adversely affect the Company's operations.

The Directors are monitoring the outbreak of COVID-19 closely and have considered the impact of COVID-19 on the Company's business. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.

In compliance with its continuous disclosure obligations, the Company will continue to update the market in regard to the impact of COVID-19 on the Company. If any of these impacts appear material prior to close of the Offers, the Company will notify investors under a supplementary prospectus.

#### **5.18 Liquidity, market capitalisation and price fluctuation**

The Company is a small company in terms of market capitalisation and it may not be covered by a broad base of research analysts. As a consequence, there may be relatively few buyers and sellers of securities on the ASX at any given time and the market price may be highly volatile, particularly in times of share market turbulence or negative investor sentiment. This may present difficulties for shareholders seeking to liquidate their holdings.

The market price of the shares in the Company can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration and development stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

#### **5.19 General economic climate**

The Company's funding position and financial performance is impacted by a variety of general global economic and business conditions. A deterioration in these conditions could have an adverse impact on the Company's financial performance.

#### **5.20 Occupational health and safety**

The mining industry has become subject to increasing occupational health and safety responsibility and liability. The potential for liability is a constant risk. If the Company fails to comply with necessary OH&S legislative requirements, it could result in fines, penalties and compensation for damages as well as reputational damage. Safety legislation may also change in a manner that may include requirements, in addition to those now in effect, and a heightened degree of responsibility for companies and their Directors and employees.

#### **5.21 Contractual Risk**

All companies operate through a series of contractual relationships with operators, technical experts, project managers, suppliers, customers and contractors generally. Joint venture, access and farm in contracts have been or may also be entered into in relation to various Projects. All contracts carry risks associated with the performance by the parties of their obligations as to time and quality of work performed. To the extent that third parties default in their obligations under such documents, it may be necessary for the Company to take legal action which may be costly and no guarantee can be given by the Company that a legal remedy will ultimately be granted on appropriate terms. In the event the Company wishes to vary, terminate or amend contractual relationships due the Company's circumstances or requirements of the operations, the Company may incur penalties and liabilities or such action may lead to legal action with the consequences as mentioned previously.

#### **5.22 Litigation and Insurance Risk**

As with any company, the Company is (or will be) exposed to risks of litigation which may have a material adverse effect. The Company could become exposed to litigation from employees, regulators or third parties. To the extent that such risks are not covered by insurance, an adverse outcome in litigation or the cost of responding to potential or actual litigation may have a material adverse impact on financial performance.

The Company maintains insurance coverage that is substantially consistent with mining and exploration industry practice. However, there is no guarantee that such insurance or any future necessary coverage will be available to the Company at economically viable premiums (if at all) or that, in the event of a claim,

the level of insurance carried by the Company now or in the future will be adequate, or that a liability or other claim would not materially and adversely affect the Company's business.

### **5.23 Commodity price volatility and exchange rate risks**

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

### **5.24 Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

### **5.25 Taxation**

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

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

### **5.26 Changes in political environment and international conflicts**

The Company's share price and ability to generate returns to Investors can be affected by changes in legislation, domestic or foreign governments and government policy. Events may occur within or outside Australia that could impact upon the world economy, the operations of the Company and the market price of the Shares. These events include war, acts of terrorism, civil disturbance, political intervention and natural events such as earthquakes, floods, fires and poor weather.

### **5.27 Potential for dilution**

Following implementation of the Entitlement Offer (assuming the Entitlement Offer is fully subscribed, no other Shares are issued prior to the Record Date and subject to the rounding of fractional entitlements) the number of Shares in the Company will increase from 1,189,068,304 Shares currently on issue to 1,989,280,507 Shares. The issue of the 125,000,000 Consideration Shares for the Livingstone Acquisition and possible issue of 437,500,000 Shares in the Placement will also increase the number of Shares on issue.

This means that each Share will represent a lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Entitlement Offer being implemented and the Directors do not make any representation as to such matters.

## **6 Rights Attaching to Shares and Options**

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### **6.1 Rights attaching to Shares**

New Shares issued pursuant to this Prospectus will be fully paid ordinary shares in the capital of the Company and will rank equally with the existing Shares.

The rights and liabilities attaching to Shares are set out in the Constitution and are regulated by the Corporations Act, the general law, the Listing Rules and ASX Settlement Operating Rules. The Constitution may only be varied by a special resolution passed by at least 75% of Shareholders present (and entitled to vote).

The following is a general description of the more significant rights and liabilities attaching to the New Shares:

- (a) Each Shareholder is entitled to receive notice of, and to attend, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act and the Listing Rules.
- (b) Every Shareholder present in person or by proxy at a meeting of Shareholders has one vote on a vote taken by a show of hands, and on a poll, every Shareholder who is present in person or by proxy has one vote for every fully paid Share held.
- (c) Dividends are payable upon the determination of the Directors, who may fix the amount, time for payment and method of payment of dividends. Subject to the rights of holders of shares with any special, preferential or qualified rights, any dividends that may be declared by the Company are payable on all Shares in proportion to the amount paid up.
- (d) If the Company's Share capital is divided into different classes of Shares, the rights attached to any class may be varied by a special resolution passed at a general meeting of the holders of Shares in that class or with the written consent of three quarters of the holders of Shares in that class.
- (e) Subject to the Corporations Act, Listing Rules and ASX Settlement Operating Rules, a Shareholder may transfer Shares by an instrument in writing in a form approved by the Directors. The Directors may refuse to register a transfer of Shares only in limited circumstances, such as where the Company has a lien on those Shares.
- (f) If a Shareholder holds a number of Shares that is less than a marketable parcel (as defined in the Listing Rules), the Company has the power to sell or dispose of such Shares unless otherwise instructed by the Shareholder. The net proceeds from the sale will be paid to the Shareholder.
- (g) Subject to any special rights (at present there are none), any surplus assets on a winding up are to be distributed to Shareholders in proportion to the number of Shares held by them irrespective of the amounts paid or credited as paid.

### **6.2 Rights attaching to New Options**

The terms and conditions of the New Options are as follows:

- (a) Each New Option entitles the holder to subscribe for one ordinary Share in the Company upon exercise of the New Option at a subscription price of \$0.016 per Share.
- (b) The New Options are exercisable at any time prior to 5.00pm (AEST) on the New Option Expiry Date of 7 December 2023.
- (c) New Options not exercised on or before the New Option Expiry Date will automatically lapse.
- (d) The New Options are exercisable wholly or in part by completing an option exercise form delivered to the Company's Share Registry, accompanied by payment of \$0.016 per New Option and received by it any time on or before 5.00pm (AEDT) on the New Option Expiry date.

- (e) Shares issued on the exercise of the New Options will rank pari-passu with existing Shares.
- (f) The Company will make application for Official Quotation on ASX of the New Options. If Official Quotation is not granted, the New Options will be unlisted.
- (g) The Company will further make application for Official Quotation on ASX for any Shares allotted on exercise of the New Options.
- (h) There will be no participating entitlements inherent in the New Options to participate in new issues of capital which may be offered to Shareholders during the currency of the New Options. A New Option holder may only participate in new issues of securities to holders of Shares in the Company if the New Option has been exercised and Shares allotted in respect of the New Option before the record date for determining entitlements to the issue. The Company must give prior notice to the New Option holder of any new issue before the record date for determining entitlements to the issue in accordance with the Listing Rules.
- (i) In the event the Company proceeds with a pro rata issue (except a bonus issue) of Shares to the holders of Shares after the date of issue of the New Options, the exercise price of the New Options will be adjusted in accordance with the formula set out in Listing Rule 6.22.2.
- (j) If there is a bonus issue to the holders of Shares, the number of ordinary shares over which the New Option is exercisable will be increased by the number of ordinary shares which the holder of the New Option would have received if the New Option had been exercised before the record date for the bonus issue.
- (k) In the event of any re-organisation (including reconstructions, consolidations, subdivision, and reduction of capital) of the issued capital of the Company, the New Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
- (l) The New Options will not give any right to participate in dividends or vote on resolutions at general meetings of the Company until Shares are allotted pursuant to the exercise of the relevant New Options.

## 7 Additional information

### 7.1 Continuous disclosure obligations

The Company is a 'disclosing entity' under the Corporations Act and as such, it is subject to regular reporting and disclosure obligations, which require it to disclose to ASX any information of which it is or becomes aware of concerning the Company and which a reasonable person would expect to have a material effect on the price or value of securities of the Company.

The Prospectus is issued under section 713 of the Corporations Act, which allows for special content in relation to an offer of continuously quoted securities or options to acquire such securities. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange.

In accordance with section 713 of the Corporations Act, the Company, states that:

- (a) as a disclosing entity, it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Shortfall Offer Closing Date:
  - (i) the annual financial report most recently lodged by the Company with ASIC;
  - (ii) any half-year financial report lodged by the Company with ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with ASIC; and
  - (iii) any continuous disclosure notices given by the Company to ASX in accordance with the Listing Rules and for the purpose of section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with ASIC.

Copies of all documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC or the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the date this Prospectus was lodged with ASIC are set out in the table below:

| Date              | Announcement Title                             |
|-------------------|--|
| 28 September 2021 | Annual Report to Shareholders                  |
| 28 September 2021 | Appendix 4G and Corporate Governance Statement |
| 22 October 2021   | Trading Halt                                   |

ASX maintains files containing publicly available information for all listed companies. Copies of all documents released by the Company to the ASX are available on the ASX website at [www.asx.com.au](http://www.asx.com.au).

At the date of this Prospectus, there is no information that has not been disclosed under the continuous disclosure requirements of the Listing Rules and which the Board considers would be reasonably required in order to assess the Company's assets and liabilities, financial position and prospects and the rights and liabilities attaching to New Shares and New Options in the Company.

## 7.2 Market price of Shares

The highest, lowest and last market sale prices of the Shares on ASX during the three (3) months immediately preceding 21 October 2021, (being the last trading day in the Shares prior to the date of announcement of the Entitlement Offer), and the last respective date of those sales were:

|         | Price   | Date              |
|---------|---------|-------------------|
| Highest | \$0.011 | 20 September 2021 |
| Lowest  | \$0.007 | 20 August 2021    |
| Last    | \$0.010 | 21 October 2021   |

## 7.3 Interests of Directors

Other than as announced to ASX, set out below or elsewhere in this Prospectus, no Director or proposed Director, or any entity in which a Director or proposed Director is a partner or director, has or has had in the 2 years before the date of this Prospectus, any interest in:

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

and no amounts have been paid or agreed to be paid (in cash, Shares or otherwise) and no other benefit has been given or agreed to be given to any Director or proposed Director or to any entity in which a Director or proposed Director is a partner or a director, either to induce him to become, or qualify as, a Director or otherwise for services rendered by him or by the entity in connection with the formation or promotion of the Company or the Offer.

## 7.4 Directors interests in Securities

The relevant interests of Directors and former Directors who have retired within the 6 months preceding this Prospectus (including via controlled entities) in Securities of the Company at the date of this Prospectus are as follows:

| Director        | Shares      | % Shareholding at Record Date | Entitlement Shares |
|-----------------|-------------|-------------------------------|--------------------|
| Ines Scotland   | 109,112,780 | 9.18%                         | 72,741,853         |
| Sue-Ann Higgins | 71,418,589  | 6.01%                         | 47,612,392         |
| Guy Robertson   | 793,334     | 0.001%                        | 528,890            |

The Board recommends all Shareholders participate in the Offer.

The intentions of the current Directors regarding participation in the Offers is set out below:

- Sue-Ann Higgins has a relevant interest in the holdings of Kensington Trust Singapore Ltd <Pinnacle Higgins No 2 Retirement Fund>, which has indicated its intention to take up its full Entitlement under the Entitlement Offer (being 44,227,122 New Shares at a total issue price of \$353,816.98) and has agreed to act Sub-underwriter for the amount of \$50,000 for 6,250,000 New Shares and 3,125,000 New Options. If this substantial holder is issued its full Entitlement and the maximum commitment above, its percentage interest in Shares in the Company will decrease from 5.58% at the Record Date to 5.53%\* assuming the Entitlement Offer is fully subscribed.



- Sue-Ann Higgins has indicated her intention to take up her full Entitlement under the Offers in respect of other shareholdings in which she has a direct or indirect interest and has agreed to act as Sub-underwriter for the amount of \$35,000 for 4,375,000 New Shares and 2,187,500 New Options\*.
- Guy Robertson has indicated that he will take up his full Entitlement under the Offer, and has agreed to act as Sub-underwriter for the amount of \$20,000 for 2,500,000 New Shares and 1,250,000 New Options\*.
- Ines Scotland has indicated the holders of Shares in which she has a relevant interest intend to take up all or part of their Entitlements under the Offer.

\*The issue of New Shares and New Options to a Sub-underwriter is subject to there being Shortfall Securities available. There is no guarantee that all or any part of the sub-underwritten New Securities outlined above will be allocated to Kensington Trust Singapore Ltd <Pinnacle Higgins No 2 Retirement Fund>, Sue-Ann Higgins or Guy Robertson as Sub-underwriters. Allocation of Shortfall Securities will be made at the discretion of the Underwriter in consultation with the Company depending on a number of factors including the level of acceptance of Entitlements under the Offer and the number of New Shares and New Options available for allocation to the Underwriter, if any.

## 7.5 Remuneration of Directors

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the Listing Rules as applicable. The Board currently has no non-executive Directors.

The following table shows the total (and proposed) annual remuneration paid to Directors.

| Director        | Year ended 30 June 2021<br>Actual | Year ended 30 June 2022<br>(Proposed) <sup>2</sup> |
|-----------------|-----------------------------------|--|
| Ines Scotland   | Nil <sup>1</sup>                  | Nil  |
| Sue-Ann Higgins | \$125,400                         | \$125,400  |
| Guy Robertson   | \$50,000                          | \$50,000   |

1. Ms Scotland waived her entitlement to receive Director fees for the year ended 30 June 2021.
2. Based on Directors fees payable for the financial year ending 30 June 2021 in accordance with arrangements in effect at the date of this Prospectus. Directors' fees may be reviewed on completion of the Offers.

## Performance Rights

The Company will be seeking Shareholder Approval at the AGM of the Company's Equity Incentive Plan and proposes, subject to Shareholder Approval, to make the following grants of Performance Rights to Directors under that plan:

|                         | Inés Scotland | Sue-Ann Higgins | Guy Robertson |
|-------------------------|---------------|-----------------|---------------|
| 2021 Performance Rights | 7,500,000     | 10,500,000      | 6,250,000     |
| 2022 Performance Rights | 7,500,000     | 10,500,000      | 6,250,000     |

The 2021 Performance Rights are subject to the following vesting conditions:

- completion of the Entitlement Offer and the Livingstone Acquisition; and
- an employment condition requiring continuation in employment for a period of one year.

The 2022 Performance Rights are subject to certain performance milestones (**Performance Conditions**) which are set out below. Upon achievement of the Performance Conditions prior to the end of the relevant Performance Period, the Performance Rights will vest in the percentages set out below.

| %   | <b>Share Price Milestones – the Performance Rights will vest upon:</b>   |
|---|--|
| 25%   | The 30 day VWAP of the Company's share price being equal to or above 50% of the 30 day VWAP for the Shares at the time of the Entitlement Offer (25 October 2021)  |
| 25%   | The 30 day VWAP of the Company's share price being equal to or above 100% of the 30 day VWAP for the Shares at the time of the Entitlement Offer (25 October 2021)   |
| 25%   | The 30 day VWAP of the Company's share price being equal to or above 150% of the 30 day VWAP for the Shares at the time of the Entitlement Offer (25 October 2021)   |
| 25%   | The 30 day VWAP of the Company's share price being equal to or above 200% of the 30 day VWAP for the Shares at the time of the Entitlement Offer (25 October 2021)   |
| Note: The Share price milestones are cumulative. If the Share price achieves a second, third or fourth hurdle before there is time for vesting of the Performance Rights for a previous hurdle, then all the Performance Rights due at that hurdle will be vested |  |
| <b>Alternate Milestones:</b> in the event no Share price milestones are triggered in the Performance Period: Note: these alternate milestones are not cumulative.   |  |
| 100%  | Either:<br>MBK's JORC 2012 Resource at any one Project exceeds 200,000 ounces of contained Au or Au Equivalent from a Resource with a minimum cut-off grade of no less than 0.5 g/t Au; or<br>MBK's JORC 2012 Resource at any one Project exceeds 8 million tonnes of copper metal equivalent from a Resource with a minimum cut-off grade of no less than 0.5% CuEq |

As noted above, the Performance Rights will be issued pursuant to the Company's Equity Incentive Plan, which is subject to Shareholder Approval at the AGM. If the Company's Equity Incentive Plan is not approved, no Performance Rights will be issued to the Directors. Further, if the plan is approved at the AGM, but one or more of the resolutions seeking approval to issue Performance Rights to each of the Directors is not passed, then the Company will not proceed with the issue of the Performance Rights to the relevant Director or Directors.

## 7.6 Related Party transactions

There are no related party transactions entered into that have not been the subject of ASX announcements or otherwise disclosed in this Prospectus.

## 7.7 Interests of Advisers and Consents

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offers or the Offers itself; or
- (f) the Offers,

and no amounts have been paid or agreed to be paid (in cash, Shares or otherwise) and no other benefit has been given or agreed to be given to any of the above persons for services rendered by him or by the entity in connection with the formation or promotion of the Company or the Offers.

The Company has agreed to pay certain fees to the Underwriter as Underwriter and Lead Manager as set out in Section 2.13.

Maddocks has acted as the solicitors of the Company in relation to the Offers. The Company estimates it will pay Maddocks \$30,000 (excluding GST and disbursements) for these services.

There are no fees payable to the Cornerstone Investor, Sue-Ann Higgins or Guy Robertson as Sub-underwriters.

Each of the parties named in this Section and Kingston Resources Limited have given their written consent to being named in this Prospectus and to the statements attributable to them in the form and context in which they are included and have not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Each of these parties:

- (a) does not make, or purport to make, any statement in this Prospectus, or any statement on which a statement in this Prospectus is based, other than those referred to in this Section;
- (b) has not authorised or caused the issue of this Prospectus or the making of the Offers; and
- (c) makes no representations regarding, and, in light of the above, only to the maximum extent permitted by law, expressly disclaims, and takes no responsibility for any statements in, or omissions from any part of this Prospectus other than a reference to its name and a statement and/or any report (if any) included in this Prospectus with the consent of that party as specified in this Section.

## **7.8 Consents of Directors**

Each of the Directors named in Section 7.4 have given and not withdrawn their consent to be named in this Prospectus and to the references to them in this Prospectus in the form and context in which they are included.

## **7.9 Costs of the Offers**

- (a) Costs of the Entitlement Offer

In the event that the Entitlement Offer raises the Maximum Subscription including allocation of the full Partially Underwritten Amount to the Underwriter, the costs of the Entitlement Offer are estimated to be as follows:

| <b>Entitlement Offer Costs</b> | <b>\$</b> |
|--------------------------------|-----------|
| Underwriter fees               | 158,200   |
| ASIC fees                      | 3,206     |
| ASX fees                       | 37,565    |
| Legal fees                     | 30,000    |

|  |                |
|--|----------------|
| Registry fees, inc printing and distribution | 20,000         |
| Miscellaneous                                | 1,029          |
| <b>Total costs</b>                           | <b>250,000</b> |

(b) Costs of the Placement

In the event that the Company completes the Placement raising \$3.5 million, the additional costs of the Placement are estimated to be as follows:

| <b>Placement Costs</b> | <b>\$</b>      |
|------------------------|----------------|
| Lead Manager Fees      | 210,000        |
| ASX fees               | 23,318         |
| Registry fees          | 2,000          |
| Miscellaneous          | 2,182          |
| <b>Total costs</b>     | <b>237,500</b> |

### 7.10 Restricted securities

The Company has 4,560,000 employee restricted Shares on issue.

### 7.11 Shareholders Outside Australia and New Zealand

This Prospectus and the accompanying Entitlement and Acceptance Form do not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

It is not practicable for the Company to comply with the securities laws of all overseas jurisdictions in which Shareholders reside, having regard to the number of overseas Shareholders, the number and value of those New Shares which the overseas Shareholders would be offered under the Entitlement Offer and the other Offers and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly the Entitlement Offer is not being extended, and New Shares and New Options will not be issued, to Shareholders with a registered address outside of Australia or New Zealand except to certain sophisticated, institutional or limited numbers of Shareholders in jurisdictions where the Company is satisfied that it is lawfully able to make such an offer or issue this Prospectus without being required to take any further action in the relevant jurisdiction concerned.

As the Entitlement Offer is renounceable, for the purposes of Listing Rule 7.7.1(c), the Company has appointed the Underwriter as nominee to arrange for the sale of the Entitlements that would have been given to Ineligible Shareholders and to account to them for the net proceeds of the sale in accordance with Section 2.13. The Company has not appointed a nominee in accordance with section 615 of the Corporations Act, as no person will acquire a relevant interest in 20% or more of the Shares as a result of the Entitlement Offer.

### 7.12 New Zealand

The New Securities offered under the Entitlement Offer are not being offered to retail Investors within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand) (**FMC Act**). The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- (a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;

- (b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- (c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- (d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- (e) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

This document has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

### **7.13 Other Jurisdictions**

The Offers do not constitute an offer to sell or the solicitation of any offer to buy, any securities in the US or to a US Person (or to any person acting for the account or benefit of a US Person), or in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

No action has been taken to register or qualify the Offers, or otherwise permit a public offering of the New Securities, in any jurisdiction other than Australia.

The New Securities have not been, and will not be, registered under the US Securities Act, or the securities laws of any state or other jurisdiction in the US. The New Securities may not be offered, sold or resold in the United States or to, or for the account or benefit of, a US Person, except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

The distribution of this Prospectus (including an electronic copy) outside Australia may be restricted by law. If you come into possession of this Prospectus, you should observe any such restrictions and should seek your own advice on such restrictions. Any failure to comply with such restrictions may contravene applicable securities laws. The Company disclaims all liability to such persons.

Shareholders who hold Shares on behalf of persons who reside outside Australia, are in the United States, or are acting for the account or benefit of a person in the United States are not entitled to participate in the Offers on behalf of those persons. Failure to comply with these restrictions may result in violations of applicable securities law.

### **7.14 CHES and issuer sponsorship**

The Company operates an electronic CHES sub-register and an electronic issuer sponsored sub-register. These two sub-registers will make up the Company's register of Securities.

The Company will not issue a certificate to a security holder. Rather, a holding statement will be dispatched to security holders as soon as practicable after issue of the New Securities the subject of the Offers. The holding statement will be sent either by CHES (if the security holder elects to hold the New Securities on the CHES sub-register) or by the Company's Share Registry (if the security holder elects to hold the New Securities on the issuer sponsored sub-register). The statement will set out details of the New Securities issued under this Prospectus and the Holder Identification Number (if the security holder elects to hold the New Securities on the CHES sub register) or Shareholder Reference Number (if the security holder elects to hold the New Securities on the issuer sponsored sub-register). Updated holding statements will also be sent to each security holder following the month in which the balance of their security holding changes, and also as required by the Listing Rules and the Corporations Act.

### **7.15 Prohibition on exceeding 20% voting power threshold**

Eligible Shareholders or potential Investors must have regard to and comply with the takeovers prohibition in section 606 of the Corporations Act (that is, the 20% voting power threshold), when applying for New Securities pursuant to this Prospectus.

Eligible Shareholders who may be at risk of exceeding the 20% voting power threshold in section 606 of the Corporations Act as a result of acceptance of the Entitlement Offer should seek professional advice before completing and returning an Entitlement and Acceptance Form.

The Company expressly disclaims any responsibility for ensuring that you do not breach section 606 as a result of the Offers or exercise of the New Options.

### **7.16 Enquiries**

This Prospectus is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, solicitor, accountant or other professional advisor without delay.

Any questions concerning the Entitlement Offer should be directed to the Share Registry, on 1300 288 664 (within Australia) or +61 2 9698 5414 (International) between 8:30am and 5:00pm (AEST) or via email to: [corporate.actions@atomicgroup.com.au](mailto:corporate.actions@atomicgroup.com.au).

Any questions concerning the Shortfall Offer should be directed to the Lead Manager on +61 8 9466 7100 or via email to: [info@mahe.capital](mailto:info@mahe.capital)

## **8 Authorisation**

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This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

**Dated 25 October 2021**



**Sue-Ann Higgins**  
**Director**

**For and on behalf of Metal Bank Limited**

## 9 Glossary

|  |   |
|--|---|
| <b>A\$ or \$</b>                       | Australian dollars  |
| <b>AEDT</b>                            | Australian Eastern Daylight Savings Time  |
| <b>Additional New Securities</b>       | New Shares and New Options applied for under the Top Up Facility  |
| <b>AGM</b>                             | The Company's Annual General Meeting of Shareholders to be held on 29 November 2021   |
| <b>Applicant</b>                       | An Eligible Shareholder who submits an Entitlement and Acceptance Form or for the Shortfall Offer a person who submits an Application Form  |
| <b>Application</b>                     | A valid application to subscribe for New Securities under the Entitlement Offer using an Entitlement and Acceptance Form or a valid application to subscribe for New Securities under the Shortfall Offer using an Application Form |
| <b>Application Form</b>                | An Application Form under the Shortfall Offer   |
| <b>Application Monies</b>              | Subscription monies received from an Applicant in respect of New Shares applied for pursuant to an Application  |
| <b>ASIC</b>                            | The Australian Securities and Investments Commission  |
| <b>ASX</b>                             | ASX Limited (ACN 008 624 691) or the Australian Securities Exchange operated by ASX Limited (as the context requires)   |
| <b>ASX Settlement</b>                  | ASX Settlement Pty Ltd (ACN 008 504 532)  |
| <b>ASX Settlement Operating Rules</b>  | The settlement rules of ASX Settlement  |
| <b>Board</b>                           | The Board of Directors of the Company acting as a board of Directors  |
| <b>Capital Raising</b>                 | The Offers and the Placement under this Prospectus  |
| <b>CHESS</b>                           | Clearing House Electronic Sub Register System operated by ASX Settlement  |
| <b>Closing Date</b>                    | The date the Entitlement Offer closes being 5.00pm (AEDT) 1 December 2021   |
| <b>Company or MBK</b>                  | Metal Bank Limited ACN 127 297 170  |
| <b>Completion</b>                      | Completion of the Livingston Acquisition  |
| <b>Conditions Precedent</b>            | The conditions precedent to Completion as defined in Section 5.1  |
| <b>Consideration Securities</b>        | The Shares and New Options to be issued to Kingston as part of the consideration for the Livingston Acquisition as defined in Section 5.1   |
| <b>Constitution</b>                    | The constitution of the Company   |
| <b>Corporations Act</b>                | <i>Corporations Act 2001</i> (Cth)  |
| <b>COVID-19</b>                        | An infectious respiratory disease caused by a coronavirus   |
| <b>Directors</b>                       | the current Directors of the Company  |
| <b>Eligible Shareholders</b>           | As defined in Section 2.5   |
| <b>Entitlement</b>                     | An Eligible Shareholder's entitlement to participate in the Entitlement Offer on a 2 for 3 basis  |
| <b>Entitlement and Acceptance Form</b> | The personalised offer and acceptance form sent to Eligible Shareholders in relation to the Entitlement Offer   |

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|--------------------------------------|---|
| <b>Entitlement Offer</b>             | The pro-rata renounceable rights issue to Eligible Shareholders described in Section 2.1 (including the Top Up Facility)  |
| <b>Entitlement Offer Amount</b>      | \$6,341,698   |
| <b>Entitlement Offer Shares</b>      | The New Shares offered under the Entitlement Offer  |
| <b>HIN</b>                           | Holder Identification Number  |
| <b>Ineligible Shareholder</b>        | A Shareholder who is not an Eligible Shareholder  |
| <b>Investors</b>                     | Potential Applicants including Shareholders, third party investors and members of the public  |
| <b>Issue</b>                         | the issue of Securities under this Prospectus   |
| <b>Kingston</b>                      | Kingston Resources Limited ACN 009 148 529  |
| <b>Lead Manager</b>                  | The Underwriter   |
| <b>Listing Rules</b>                 | the official listing rules of the ASX   |
| <b>Livingstone Acquisition</b>       | Has the meaning given in Section 5.1  |
| <b>Livingstone Project</b>           | The Livingstone gold project comprising exploration licences EL52/3667, EL52/3403, EL52/03903 located in Western Australia  |
| <b>Maximum Subscription</b>          | The amount of \$6,341,698 to be raised if all Entitlements are taken up under the Offer by Eligible Shareholders and/or the Underwriter   |
| <b>Member</b>                        | A Shareholder   |
| <b>MENA</b>                          | The Middle East and North Africa  |
| <b>Millennium Project</b>            | The Millennium copper, cobalt and gold project comprising Mining Leases 2512, 2761, 2762, 7506 and 7507 and located in Queensland   |
| <b>Mineral Resources</b>             | As defined by the 2012 JORC Code  |
| <b>New Options</b>                   | The options granted under the Offers which are exercisable at \$0.016 on or before the New Options Expiry Date and otherwise on the terms set out in Section 6.2 of this Prospectus |
| <b>New Securities</b>                | New Shares and New Options issued under the Capital Raising   |
| <b>New Shares</b>                    | The Shares in the Company offered under the Capital Raising   |
| <b>New Options Expiry Date</b>       | 5pm (AEDT) on 7 December 2023   |
| <b>Offer Price</b>                   | Has the meaning given in Section 2.1  |
| <b>Offers</b>                        | The Entitlement Offer (including the Top Up Facility) and the Shortfall Offer   |
| <b>Official List</b>                 | The official list of companies maintained by ASX  |
| <b>Official Quotation</b>            | Official quotation of the securities by ASX in accordance with the Listing Rules  |
| <b>Opening Date</b>                  | The day the Entitlement Offer opens for acceptances, being 29 October 2021  |
| <b>Optionholder</b>                  | A holder of Options, including the New Options  |
| <b>Partially Underwritten Amount</b> | The amount of \$5,000,000 which is underwritten by the Underwriter  |
| <b>Placement</b>                     | The placement of New Securities to sophisticated, institutional or professional Investors as described in Section 2.11  |
| <b>Placement Securities</b>          | New Shares and New Options issued under the Placement   |



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|-------------------------------------|---|
| <b>Prospectus</b>                   | This Prospectus dated 25 October 2021   |
| <b>Record Date</b>                  | The Record Date for the Entitlement Offer, being 5pm (AEDT), 28 October 2021  |
| <b>Related Party</b>                | As defined in Chapter 19 of the Listing Rules   |
| <b>Section</b>                      | A section of this Prospectus  |
| <b>Security or Securities</b>       | A Share, option or other security issued by the Company, including the New Shares and New Options offered under the Offers  |
| <b>Securityholder</b>               | A Shareholder or Optionholder   |
| <b>Share</b>                        | A fully paid ordinary share in the Company  |
| <b>Share Registry</b>               | Automic Group Pty Ltd   |
| <b>Shareholder</b>                  | A holder of Shares  |
| <b>Shareholder Approvals</b>        | The Shareholder approvals to be sought at the AGM   |
| <b>Shortfall Offer</b>              | Means the offer of Shortfall Securities described in Section 2.10   |
| <b>Shortfall Offer Closing Date</b> | The date the Shortfall Offer closes, which is 3 months following the date of this Prospectus, or such earlier date determined by the Directors in their discretion. |
| <b>Shortfall Securities</b>         | New Shares and New Options to be offered under the Shortfall Offer as described in Section 2.10   |
| <b>South East Qld Gold Projects</b> | The Company's 100% owned 8 Mile, Wild Irishman and Eidsvold projects located in South East Queensland   |
| <b>Sub-underwriter</b>              | Means a person who has agreed with the Underwriter to act as a sub-underwriter of part of the Partially Underwritten Amount   |
| <b>Timetable</b>                    | The indicative timetable for the Offers set out in Section 1.1  |
| <b>Top Up Facility</b>              | The facility for applying for Additional New Securities described in Section 2.4  |
| <b>Underwriter</b>                  | Mahe Capital Pty Ltd ABN 91 634 087 684   |
| <b>Underwriter Options</b>          | 15 million New Options to be issued to the Underwriter as part of its fees  |
| <b>Underwriting Agreement</b>       | The agreement between the Company and the Underwriter as summarised in Section 2.13   |
| <b>Underwritten Securities</b>      | The New Securities partially underwritten by the Underwriter as set out in Section 2.13   |
| <b>US or United States</b>          | The United States of America  |
| <b>US Person</b>                    | Has the meaning given to that term in Regulation S under the US Securities Act  |
| <b>US Securities Act</b>            | The United States Securities Act of 1933, as amended  |
| <b>Westernx</b>                     | Westernx Pty Ltd ACN 125 826 726  |
| <b>2012 JORC Code</b>               | The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 edition  |