

PATERSON RESOURCES LTD
ACN 115 593 005

ENTITLEMENT ISSUE PROSPECTUS

This Prospectus is for:

- (a) a pro-rata non-renounceable entitlement issue of one (1) Share for every ten (10) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.028 per Share together with one (1) free New Options for every two (2) Shares applied for and issued to raise up to \$1,112,424 (based on the number of Shares on issue as at the date of this Prospectus) (**Entitlement Offer**); and
- (b) an offer of 80,357,143 New Options to parties that participated in the Placements (**Placement Offer**),

(together, the **Offers**).

IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Securities offered by this Prospectus should be considered as highly speculative.

IMPORTANT NOTICE

This Prospectus is dated 8 November 2023 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

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

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities offered by this Prospectus should be considered as highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be made by an Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular

needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5.

Overseas shareholders

The Offers do not, and are not intended to, constitute offers in any place or jurisdiction in which, or to any person to whom, it would not

be lawful to make such offers or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offers are not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia, New Zealand or Singapore.

For further information on overseas Shareholders please refer to Section 2.7.

Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the 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. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to Section 6.2 for further details.

Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of the New Options issued under this Prospectus. The Company will only distribute this Prospectus to those investors who fall within the target market determination (TMD) as set out on the Company's website www.patersonresources.com.au. By making an application under the Offers, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.patersonresources.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australia, New Zealand or Singapore resident and must only access this Prospectus from within Australia or New Zealand.

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. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on + 61 8 6559 1792 during office hours or by emailing the Company at info@patersonresources.com.au.

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

Company Website

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would

contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 7.

All references to time in this Prospectus are references to Australian Western Standard Time.

Privacy statement

If you complete an 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 Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

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

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

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offers please call the Company Secretary on + 61 8 6559 1792.

CORPORATE DIRECTORY

Directors

Nick Johansen
Non-Executive Chairman

Matthew Bull
Executive Director

Kenneth Banks
Non-Executive Director

Company Secretary

Sarah Smith

ASX Code

PSL

Registered Office

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23 Railway Road
SUBIACO WA 6008

Telephone: + 61 8 6559 1792

Email: info@patersonresources.com.au
Website: www.patersonresources.com.au

Auditor*

RSM Australia Partners
Level 32, Exchange Tower 2
The Esplanade
PERTH WA 6000

Underwriter

Viriathus Capital Pty Ltd
Suite 47, Level 35,
International Towers One,
100 Barangaroo Avenue
BARANGAROO NSW 2000

Share Registry*

Computershare Investor
Services Pty Limited
Level 17, 221 St Georges Terrace
PERTH WA 6000

(Within Australia) 1300 850 505
(Outside Australia) +61 03 9415 4000

Legal Advisers

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

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

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1. KEY OFFER INFORMATION

1.1 Timetable

Lodgement of Prospectus with the ASIC	8 November 2023
Lodgement of Prospectus and Appendix 3B with ASX	8 November 2023
Ex date	13 November 2023
Record Date for determining Entitlements	14 November 2023
Issue of October Placement Shares	15 November 2023
Offers opening date, Prospectus sent out to Shareholders and Company announces this has been completed	17 November 2023
Last day to extend the Closing Date	23 November 2023
Closing Date as at 5:00pm*	28 November 2023
Securities quoted on a deferred settlement basis	29 November 2023
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Securities	5 December 2023
Quotation of Securities issued under the Offers**	5 December 2023

*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. Accordingly, the date the Securities are expected to commence trading on ASX may vary.

1.2 Key statistics of the Offers

Shares¹

	Maximum Subscription
Offer Price per Share	\$0.028
Entitlement Ratio (based on existing Shares)	1:10
Shares currently on issue	397,294,317
Shares to be issued under the Entitlement Offer	39,729,432
Gross proceeds of Entitlement Offer ²	\$1,112,424
Shares to be issued under Placements ³	31,250,000
Shares on issue Post-Offers	468,273,749

Notes:

1. Refer to Section 4.1 for the terms of the Shares.
2. Assuming the Maximum Subscription of \$1,112,424 is achieved under the Entitlement Offer.
3. To be issued under the February Placement and October Placement. Refer to Section 1.3 for further details. Shares to be issued under the Placements will be issued after the Record Date and will not carry an entitlement to participate under the Entitlement Offer.

Options

	Maximum Subscription
Offer Price per New Option	Nil
Option Entitlement Ratio (based on Shares subscribed for)	1:2
Options currently on issue	Nil
New Options to be issued under the Entitlement Offer ^{1, 2}	19,864,716
New Options to be issued under the Placement Offer ^{1, 3}	80,357,143
Options on issue Post-Offers³	100,221,858

Notes:

1. Refer to Section 4.2 for the terms of the New Options.
2. Assuming the Maximum Subscription of \$1,112,424 is achieved under the Entitlement Offer and the Placement Offer is fully subscribed.
3. To be issued under the February Placement and October Placement. Refer to Section 1.3 for further details.

1.3 Background to the Entitlement Offer and Placement Offer

Placement Offer

On 1 February 2023, the Company announced it had received firm commitments for a placement (**February Placement**) to sophisticated and professional investors to raise \$2,000,000 via the issue of 71,428,571 Shares (**February Placement Shares**) at an issue price of \$0.028 per Share, together with one (1) free attaching New Options for every one (1) Share issued.

Under the February Placement, Matthew Bull, a Director of the Company, subscribed for 13,392,857 Shares and 13,392,857 New Options, subject to receipt of Shareholder approval.

On 30 October 2023, the Company announced it had received firm commitments for a placement (**October Placement**) to sophisticated and professional investors to raise \$500,000 via the issue of 17,857,143 Shares at an issue price of \$0.028 per Share (**October Placement Shares**), together with one (1) free attaching New Option for every two (2) Placement Shares applied for and issued.

The New Options to be issued to the participants in the February Placement and October Placement (together, the **Placements**), together with the Shares to be issued to Matthew Bull under the February Placement, are subject to Shareholder approval.

Shareholder approvals for the issue of the February Placement Shares to Matthew Bull and the issue of New Options under the February Placement are being sought at the Company's annual general meeting to be held on 24 November 2024 (**AGM**). Shareholder approval for the issue of New Options under the October Placement will either be sought at the AGM (subject to dispatch of an addendum to the notice of meeting) or a general meeting of Shareholders to be convened in the coming months.

The New Options to be issued under the Placements (**Placement Options**) will be issued under this Prospectus pursuant to the Placement Offer, subject to Shareholder approval being obtained.

The Company intends to issue:

- (a) the October Placement Shares on 9 November 2023; and
- (b) the February Placement Shares to Matthew Bull and New Options under the Placements within one month of the AGM (or such later general meeting held in respect of the New Options to be issued under the October Placement, if not considered at the AGM).

The participants in the October Placement and Matthew Bull (in respect of the February Placement Shares to be issued to him) will not be entitled to participate in the Entitlement Offer as the Shares will be issued after the Record Date of the Entitlement Offer.

Further details in respect to the Placements are set out in Section 2.3 and in the ASX Announcements released by the Company on 1 February and 30 October 2023.

Entitlement Offer

The Entitlement Offer is being made as a pro-rata non-renounceable entitlement issue of one (1) Share for every ten (10) Shares held by Shareholders registered at the Record Date at an issue price of \$0.028 per Share together with one (1) New Option for every two (2) Shares subscribed for and issued. Fractional entitlements will be rounded up.

Further details in respect to the Entitlement Offer are set out in Section 2.1.

1.4 Key Risk Factors

Prospective investors should be aware that subscribing for Securities involves a number of risks and an investment in the Company should be considered as highly speculative. The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are set out in Section 5.

The predominant risks relating to the Company and the Offers are summarised below:

Risk	Description	Further Information
Going Concern	<p>The Company's annual financial report for the year ended 30 June 2023 (Financial Report) includes a note on the financial condition of the Company and the possible existence of a material uncertainty about the Company's ability to continue as a going concern.</p> <p>Notwithstanding the 'going concern' note included in the Financial Report, the Directors believe that upon the successful completion of the Entitlement Offer and the Placement, the</p>	Section 5.2

Risk	Description	Further Information
	Company will have sufficient funds to adequately meet the Company's current exploration commitments and short term working capital requirements.	
Climate Risk	<p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:</p> <p>(a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation; and</p> <p>(b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns.</p>	Section 5.2
Exploration	<p>The Company's tenements are at an early stage of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.</p> <p>There can be no assurance that exploration of the Company's tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.</p>	Section 5.2
Legacy risks	During the year ended 30 June 2021, an aggregate claim of \$412,487 was made by former Directors of the Company or their associates. The Company is disputing the validity of these claims and have no intention to settle the claims. The Company considers it to be probable that any further action will result in its favour and has therefore not recognised a provision in relation to this claim.	Section 5.2
Operating risks	<p>The Company's ability to achieve production, development, operating cost and capital expenditure estimates on a timely basis cannot be assured.</p> <p>The business of commodity extraction involves many risks and may be impacted by factors including ore tonnes, grade and metallurgical recovery, input prices (some of which are unpredictable and outside the control of the Company), overall availability of free cash to fund continuing development activities, labour force disruptions, cost overruns, changes in the regulatory environment and other unforeseen contingencies. Such occurrences could result in damage to, or destruction of, production facilities, personal injury or death, environmental</p>	Section 5.3

Risk	Description	Further Information
	damage, delays in production, increased production costs and other monetary losses and possible legal liability to the owner or operator of the project.	

1.5 Directors' Interests in Securities

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below:

Director	Shares	Options	Performance Rights	Share Entitlement	New Option Entitlement	\$
Nick Johansen	6,666,667	Nil	Nil	666,667	333,334	18,667
Matthew Bull ¹	10,000,001	Nil	4,000,000	1,000,001	500,001	28,000
Kenneth Banks	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- Matthew Bull participated in the February Placement. Subject to Shareholder approval, Matthew Bull will be issued an additional 13,392,857 Shares and 13,392,857 New Options under the February Placement.

The Board recommends all Shareholders take up their Entitlements. The Directors reserve the right to take up their respective Entitlement in whole or in part at their discretion.

1.6 Details of Substantial Holders

Based on publicly available information as at the date of this Prospectus, there are no persons who have a relevant interest in 5% or more of the Shares on issue.

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offers.

1.7 Underwriting and sub-underwriting

The Offer is fully underwritten by Viriathus Capital Pty Ltd (ACN 113 959 596) (AFSL No. 297 950) (**Underwriter**). Refer to Section 6.4.1 for details of the terms of the underwriting.

The Underwriter has entered into a number of sub-underwriting agreements in respect of the Shortfall Securities. No sub-underwriter is a related party of the Company and no sub-underwriter is, or will become, a substantial shareholder in the Company following completion of the Offer. Further, no sub-underwriter will increase their shareholding to above 19.99% as a direct result of the issue of Securities under the Offer. Where Shares are issued pursuant to the exercise of New Options, the voting power of the sub-underwriters who exercise their New Options will increase. The likelihood of New Options being exercised is dependent on the price of Shares from time to time until the New Options expire.

1.8 Effect on Control

The Underwriter is presently not a Shareholder and is not a related party of the Company for the purposes of the Corporations Act. The issue of Shares under this Prospectus to the Underwriter may increase its interest in the Company and dilute the Shareholding of other Shareholders to the extent they elect not to participate in the Offer or are ineligible to participate in the Offer.

In accordance with the terms of the Underwriting Agreement, the Underwriter will allocate the Shortfall to its sub-underwriters and/or clients and people who have otherwise agreed to assist with the completion of the Offer such that neither the Underwriter, the sub-underwriters nor any of the Underwriter's clients, individually, will have a voting power in the Company in excess of 19.9% after the issue of the Shortfall.

The Company, in consultation with the Underwriter, will ensure that the Offer (including the equitable dispersion of any Shortfall Securities) complies with the provisions of Chapter 6 of the Corporations Act and is otherwise consistent with the policy guidelines contained in ASIC Regulatory Guide 6 and Takeovers Panel Guidance Note 17.

1.9 Potential dilution on non-participating Shareholders

In addition to potential control impacts set out in Section 1.6, Shareholders should note that if they do not participate in the Entitlement Offer, their holdings are likely to be diluted by approximately 9.09% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).

For illustrative purposes, the table below shows how the dilution may impact the holdings of Shareholders:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Entitlement Offer	Holdings if Entitlement Offer not taken Up	% post Entitlement Offer
Shareholder 1	10,000,000	2.52%	1,000,000	10,000,000	2.23%
Shareholder 2	5,000,000	1.26%	500,000	5,000,000	1.14%
Shareholder 3	1,500,000	0.38%	150,000	1,500,000	0.34%
Shareholder 4	400,000	0.10%	40,000	400,000	0.09%
Shareholder 5	50,000	0.01%	5,000	50,000	0.01%

Notes:

1. This is based on a share capital of 397,294,317 Shares as at the date of the Prospectus and assumes no Options currently on issue or other Shares are issued including under the Placements and on exercise of any New Options or Performance Rights on issue.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

No immediate dilution will occur as a result of the issue of New Options under this Prospectus. However subsequent exercise of any or all of the New Options will result in dilution. Assuming all New Options offered pursuant to the Entitlement Offer are issued and exercised into Shares and excluding any New Options to be issued under the Placements, Shareholders who do not participate in the

Entitlement Offer, are likely to be diluted by an aggregate of approximately 13.04% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus).

2. DETAILS OF THE OFFERS

2.1 The Entitlement Offer

The Entitlement Offer is being made as a pro-rata non-renounceable entitlement issue of one (1) Share for every ten (10) Shares held by Shareholders registered at the Record Date at an issue price of \$0.028 per Share together with one (1) New Option for every two (2) Shares subscribed for and issued. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the Record Date (and assuming no Shares are issued prior to the Record Date) approximately 39,729,432 Shares and 19,864,716 New Options may be issued under the Entitlement Offer to raise up to \$1,112,424. No funds will be raised from the issue of the New Options.

As at the date of this Prospectus the Company does not have any New Options or vested Performance Rights on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to the Shares. The New Options will be exercisable at \$0.05 on or before 24 November 2026, and otherwise on the terms set out in Section 4.2.

The purpose of the Entitlement Offer and the intended use of funds raised are set out in Section 3.

2.1.1 What Eligible Shareholders may do

The number of Securities to which Eligible Shareholders are entitled is shown on the personalised Entitlement and Acceptance Form which can be accessed at www.computersharecas.com.au/pslentitlementoffer. Eligible Shareholders may choose any of the options set out in the table below.

Option	Key Considerations	For more information
Take up all of your Entitlement	<p>(a) Should you wish to accept all of your Entitlement, then your application for Securities under this Prospectus must be made by following the instructions on the personalised Entitlement and Acceptance Form which can be accessed at www.computersharecas.com.au/pslentitlementoffer. Please read the instructions carefully.</p> <p>(b) Payment can be made by the methods set out in Section 2.1.2. As set out in Section 2.1.2, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form.</p>	Sections 2.1.2 and 2.1.3.
Take up all of your Entitlement and also apply for Shortfall Securities	<p>(a) Should you wish to accept all of your Entitlement and apply for Shortfall Securities, then your application for your Entitlement and additional Shortfall Securities under this Prospectus must be made by following the instructions on your personalised Entitlement and Acceptance Form which can be accessed at www.computersharecas.com.au/pslentitlementoffer. Please read the instructions carefully.</p> <p>(b) Payment can be made by the methods set out in</p>	Sections 2.1.2, 2.1.3 and 2.2.

Option	Key Considerations	For more information
	<p>Section 2.1.2. Payment should be made for your Entitlement and the amount of the Shortfall for which you are applying.</p> <p>(c) If you apply for Shortfall Securities beyond your Entitlement you are deemed to have accepted your Entitlement in full. You should note that the allocation of Shortfall Securities is at the Company's absolute discretion as per the allocation policy set out in Section 2.2. Accordingly, your application for additional Shortfall Securities may be scaled-back.</p> <p>(d) The Company's decision on the number of Shortfall Securities to be allocated to you will be final.</p>	
Take up a proportion of your Entitlement and allow the balance to lapse	<p>(a) If you wish to take up only part of your Entitlement and allow the balance to lapse, your application must be made by completing the personalised Entitlement and Acceptance Form which can be accessed at www.computersharecas.com.au/psentitlementoffer for the number of Securities you wish to take up and making payment using the methods set out in Section 2.1.2 below. As set out in Section 2.1.2, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form.</p>	Sections 2.1.2 and 2.1.3
Allow all or part of your Entitlement to lapse	<p>(a) If you do not wish to accept any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement by the Closing Date, the Entitlement Offer to you will lapse.</p>	N/A

The Entitlement Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

2.1.2 Payment options

(a) By BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. **It is your responsibility to ensure that funds submitted through BPAY® are received by 2:00pm (WST) on the Closing Date. The Company shall not be responsible for any delay in the receipt of the BPAY® payment.**

Guidance where you have more than one CRN (Shareholding of Shares)

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. **Do not use the same CRN for more than one of your Shareholdings.** This can result in your Application monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any Application in respect of your remaining Shareholdings will not be valid).

(b) By Electronic Funds Transfer (overseas applicants)

For payment by Electronic Funds Transfer (**EFT**) for overseas Eligible Shareholders, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via EFT if you are the holder of an account that supports EFT transactions to an Australian bank account. Please note that should you choose to pay by EFT:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

(c) By Cheque

Payment by cheque or cash will not be accepted.

2.1.3 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application monies by BPAY® or EFT will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety;
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® or EFT payment instruction is given in relation to any Application monies, the application may not be varied or withdrawn except as required by law.

2.2 Shortfall Offer

Any Entitlement not taken up pursuant to the Entitlement Offer will form the Shortfall Offer (**Shortfall Securities**). The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.028 being the price at which Shares have been offered under the Entitlement Offer.

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer and potentially be allocated to other Eligible Shareholders or other third parties as part of the Shortfall Offer. The Shortfall Offer will only be available where there is a Shortfall between applications received from Eligible Shareholders and the number of Shares proposed to be issued under the Entitlement Offer.

Eligible Shareholders who wish to subscribe for Securities above their Entitlement are invited to apply for Shortfall Securities under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shortfall Securities in accordance with Section 2.1.2.

Allocation of the Shortfall Securities will be at the discretion of the Board in conjunction with the Underwriter and will otherwise be subject to the terms of the Underwriting Agreement, details of which are set out in Section 6.4.1. If the Entitlement Offer is oversubscribed (by take up of Entitlements and applications for Shortfall Securities by Eligible Shareholders), scale back will be applied to applications under the Shortfall Offer on a pro-rata basis to the respective shareholdings of Eligible Shareholders. There is no guarantee that Eligible Shareholders will receive Securities applied for under the Shortfall Offer.

The Underwriter notes that no Securities will be issued to an applicant under this Prospectus or via the Shortfall Offer if the issue of Securities would contravene the takeover prohibition in section 606 of the Corporations Act. Similarly, no Securities will be issued via the Shortfall Offer to any related parties of the Company.

2.3 Placement Offer

80,357,143 New Options are being issued under this Prospectus, to participants under the Placements. No funds will be raised under the Placement Offer.

The New Options issued under the Placement Offer will be exercisable at \$0.05 on or before 24 November 2026, and otherwise on the terms set out in Section 4.2.

The purpose of the Placement Offer and the intended use of funds raised are set out in Section 3.

2.3.1 How to apply

The Placement Offer will only be extended to participants who subscribed for and received Shares under the Placements. A Placement Offer Application Form in respect of the Placement Offer will be provided by the Company to these parties.

2.4 Minimum subscription

There is no minimum subscription under any of the Offers.

2.5 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus (or such period as varied by the ASIC), the Company will not issue any Securities and will repay all Application monies for the Securities within the time prescribed under the Corporations Act, without interest.

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

It is not presently intended that the Company will seek quotation of the New Options to be issued under this Prospectus.

2.6 Issue of Securities

Securities issued pursuant to the Offers will be issued in accordance with the ASX Listing Rules and timetable set out at Section 1.

Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Securities issued is less than the number applied for, or where no issue is made surplus Application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the 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.

Holding statements for Securities issued under the Offers will be mailed as soon as practicable after the issue of Securities and for Shortfall Securities issued under the Shortfall Offer as soon as practicable after their issue.

2.7 Overseas shareholders

The Offers do not, and are not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Securities these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offers are not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia, New Zealand or Singapore.

New Zealand

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Cth) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Aust) and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

Singapore

This Prospectus and any other materials relating to the Securities have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Securities, may not be issued, circulated or

distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) of Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (**SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Prospectus has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this Prospectus immediately. You may not forward or circulate this Prospectus to any other person in Singapore.

Any offer is not made to you with a view to the Securities being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Securities. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia, New Zealand or Singapore without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

3. PURPOSE AND EFFECT OF THE OFFERS

3.1 Purpose of the Offers

The purpose of the Entitlement Offer is to raise up to \$1,112,424 (before costs).

The funds raised from the Entitlement Offer are intended to be applied in accordance with the table set out below:

Item	Proceeds of the Entitlement Offer and the Placement	Maximum Subscription (\$)	%
1.	Exploration and drilling at the Grace Project	\$712,094	64.01%
2.	Preparation to commence RC drilling at the Lloyd's Copper Project	\$222,484	20.00%
3.	Corporate and administrative costs	\$28,923	2.6%
4.	Working capital	\$28,923	2.6%
5.	Expenses of the Offers ¹	\$120,000	10.79%
Total		\$1,112,424	100%

Notes:

1. Refer to Section 6.8 for further details relating to the estimated expenses of the Offers.

On completion of the Entitlement Offer, the Board believes the Company will have sufficient working capital to achieve its stated objectives. In the event the Entitlement Offer is not fully subscribed, operational objectives are likely to be modified, which may result in delay or substantial changes to the Company's future plans.

In addition, it should be noted that the Company's budgets and forecasts will be subject to modification on an ongoing basis depending on the results achieved from its business activities and operations.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) 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 this basis.

3.2 Effect of the Offers

The principal effect of the Offers, assuming all Entitlements are accepted and no Shares, other than the Placement Shares, are issued including on exercise or conversion of other Securities on issue prior to the Record Date, will be to:

- (a) increase the cash reserves by \$992,424 (after deducting the estimated expenses of the Offers) immediately after completion of the Offers;
- (b) increase the number of Shares on issue from 397,294,317 as at the date of this Prospectus to 468,273,749 Shares (assuming all Placement Shares are issued); and

- (c) increase the number of Options on issue from nil as at the date of this Prospectus to 100,221,858 Options (assuming all Placement Options are issued).

3.3 Effect on capital structure

The effect of the Offers on the capital structure of the Company, assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, is set out below.

Shares

	Number
Shares currently on issue	397,294,317
Shares offered pursuant to the Entitlement Offer ¹	39,729,432
Shares to be issued under the Placements ²	31,250,000
Total Shares on issue after completion of the Offers¹	468,273,749

Notes:

- Shares to be issued under the Placements will be issued after the Record Date and will not carry an entitlement to participate under the Entitlement Offer.
- To be issued under the February Placement and October Placement. Refer to Section 1.3 for further details.

Options

	Number
Options currently on issue	Nil
New Options to be issued pursuant to the Entitlement Offer	19,864,716
New Options to be issued pursuant to the Placement Offer	80,357,143
Total Options on issue after completion of the Offers	100,221,858

Notes:

- Refer to Section 4.2 for the terms of the New Options.
- To be issued under the February Placement and October Placement. Refer to Section 1.3 for further details.

Performance Rights

	Number
Performance Rights currently on issue	4,000,000 ¹
Performance Rights to be issued pursuant to the Offers	Nil
Performance Rights on issue after completion of the Offers	4,000,000

Note:

- Comprising 2,000,000 Tranche 1 Performance Rights expiring on 11 December 2023 and 2,000,000 Tranche 2 Performance Rights expiring on 11 December 2024. Refer to annual report for the year ended 30 June 2023 for further details.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 401,294,317 Shares and on completion of the Offers (assuming the

Placement Shares and Placement Options are issued, all Entitlements are accepted and no Shares are issued (including on exercise or conversion of other Securities on issue prior to the Record Date) would be 572,495,607 Shares.

No Shares, Performance Rights or Options on issue are subject to escrow restrictions, either voluntary or ASX imposed.

3.4 Pro-forma balance sheet

The audited balance sheet as at 30 June 2023 and the unaudited pro-forma balance sheet as at 30 June 2023 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.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options or convertible securities are exercised prior to the Record Date and including expenses of the Offers.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. 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.

	AUDITED 30 June 2023 \$	UNAUDITED PROFORMA Maximum Raise \$
CURRENT ASSETS		
Cash	586,640	2,079,064
Other current assets	101,194	101,194
TOTAL CURRENT ASSETS	687,834	2,180,258
NON-CURRENT ASSETS		
Plant and equipment	6,810	6,810
Financial assets at fair value through profit or loss	11,194	11,194
Exploration and evaluation expenditures	6,628,186	6,628,186
TOTAL NON-CURRENT ASSETS	6,646,190	6,646,190
TOTAL ASSETS	7,334,024	8,826,448
CURRENT LIABILITIES		
Creditors and borrowings	213,907	213,907
TOTAL CURRENT LIABILITIES	213,907	213,907
TOTAL LIABILITIES	213,907	213,907
NET ASSETS (LIABILITIES)	7,120,117	8,612,541
EQUITY		
Share capital	35,786,364	37,398,788
Options Reserve	5,785,846	5,785,846
Retained loss	(34,452,093)	(34,572,093)
TOTAL EQUITY	7,120,117	8,612,541

Notes:

1. \$500,000 raised under the Placement at \$0.028 per Share. Assumes a maximum take up under the Entitlement Offer to raise an additional \$1,112,424 on the same terms as the Placement.
2. Expenses of the Offers estimated at a total of \$120,000 for share registry fee, ASIC fees, ASX fees and legal fees associated with the Offers.

4. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

4.1 Rights and liabilities attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to the Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

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

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

(b) Voting rights

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

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

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

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

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

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

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

4.2 Terms of New Options

(a) **Entitlement**

Each Option entitles the holder to subscribe for one (1) Share upon exercise of the New Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each New Option will be \$0.05 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00pm (WST) on 24 November 2026 (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The New Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The New Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the New Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each New Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment

of the Exercise Price for each New Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 5 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the New Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the New Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the New Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options without exercising the New Options.

(k) **Change in exercise price**

A New Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the New Option can be exercised.

(l) **Transferability**

The New Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

5. RISK FACTORS

5.1 Introduction

The Securities offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 5, together with all other information contained in this Prospectus.

The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 5, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities. This Section 5 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 5 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

5.2 Company specific

Risk Category	Risk
Potential for dilution	<p>In addition to potential control impacts set out in Section 1.9, Shareholders should note that if they do not participate in the Entitlement Offer, their holdings are likely to be diluted by approximately 9.09% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).</p> <p>No immediate dilution will occur as a result of the issue of New Options under this Prospectus. However subsequent exercise of any or all of the New Options will result in dilution. Assuming all New Options offered pursuant to this Prospectus are issued and exercised into Shares, Shareholders who do not participate in the Entitlement Offer are likely to be diluted by an aggregate of approximately 13.04% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus).</p> <p>It is not possible to predict what the value of the Company, a Share or an Option will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.</p> <p>The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.032 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.</p>

Risk Category	Risk
Additional requirements for capital	<p>The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.</p>
Going Concern	<p>The Company's Financial Report includes a note on the financial condition of the Company and the possible existence of a material uncertainty about the Company's ability to continue as a going concern.</p> <p>Notwithstanding the 'going concern' note included in the Financial Report, the Directors believe that upon the successful completion of the Entitlement Offer and the Placements, the Company will have sufficient funds to adequately meet the Company's current exploration commitments and short-term working capital requirements.</p> <p>In the event that the Entitlement Offer and the Placements are not completed successfully there is significant uncertainty as to whether the Company can continue as a going concern which is likely to have a material adverse effect on the Company's activities.</p>
Climate Risk	<p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:</p> <ul style="list-style-type: none"> (a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and (b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.
Coronavirus (COVID-19)	<p>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.</p>

Risk Category	Risk
Exploration	<p>The Company's tenements are at an early stage of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.</p> <p>There can be no assurance that exploration of the Company's tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.</p> <p>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. 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.</p> <p>Whilst the Directors will make every effort to reduce this risk, the fact remains that the discovery and development of a commercially viable resource is the exception rather than the rule.</p>
Operations	<p>The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.</p> <p>No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.</p>
Commodity Price Volatility and Exchange Rate Risk	<p>The Company's ability to proceed with the development of its mineral projects and benefit from any future mining operations will depend on market factors, some of which may be beyond its control. It is anticipated that any revenues derived from mining will be primarily from the sale of gold. Consequently, any future earnings are likely to be closely related to the price of gold and the terms of any off-take agreements the Company enters.</p> <p>The world market for minerals is subject to many variables and may fluctuate markedly. These variables include world demand for gold that may be mined commercially in the future from the Company's project areas, forward selling by producers and production cost levels in major mineral-producing regions. Minerals prices are also affected by macroeconomic factors such as general global economic conditions and expectations regarding inflation and interest rates. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities. Metals are principally sold through the world in US dollars. The Company's cost base will be payable in various currencies including Australian dollars and US dollars. As a result, any significant and/or sustained fluctuations in the exchange rate between the Australian dollar and the US dollar could have a materially adverse effect on the Company's operations, financial position (including revenue and profitability) and performance. The Company may undertake measures, where deemed necessary by the Board, to mitigate such risks.</p>

Risk Category	Risk
Equipment availability and	The Company's ability to undertake mining and exploration activities is dependent upon its ability to source and acquire appropriate mining equipment. Equipment is not always available and the market for mining equipment experiences fluctuations in supply and demand. If the Company is unable to source appropriate equipment economically or at all then this would have a material adverse effect on the Company's financial and/or trading position.
Legacy risks	During the financial year ended 30 June 2021, an aggregate claim of \$412,487 was made by former Directors of the Company or their associates. The Company is disputing the validity of these claims and have no intention to settle the claims. The Company considers it to be probable that any further action will result in its favour and has therefore not recognised a provision in relation to this claim.
Potential acquisition and disposal	<p>The Company will actively pursue and assess other new business opportunities in the resources sector. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, and/or direct equity participation.</p> <p>The acquisition of projects (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence or prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company.</p> <p>If an acquisition is completed, the Directors will need to reassess at that time, the funding allocated to current projects and new projects, which may result in the Company reallocating funds from other projects and/or raising additional capital (if available).</p> <p>Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project/business activities will remain.</p>

5.3 Industry specific

Risk Category	Risk
Native Title and Aboriginal Heritage	<p>In relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant land owner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.</p> <p>In addition, there may be areas or objects of Aboriginal heritage located on the Company's tenements, or any other tenements that may be acquired by the Company in the future. The Company must ensure that it does not breach the applicable legislation relating to Aboriginal heritage. To ensure that it does not contravene such legislation, it would be prudent for the Company (and it would accord with industry practice and Aboriginal expectations) to conduct heritage surveys to determine if any Aboriginal heritage sites or objects exist within the area of the Company's tenements prior to commencing any activities. Any interference with these sites or objects must be in strict conformity with the provisions of the relevant legislation.</p>

Risk Category	Risk
	<p>If Aboriginal heritage sites or objects do exist the Company may need to enter into agreements with the traditional owners of the sites. The ability of the Company to implement its work programme may be adversely affected in both time and cost.</p> <p>The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.</p>
Resources estimates	<p>Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.</p>
Tenure and access	<p>Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for production tenements will be approved.</p> <p>The Company's mining tenements are subject to the applicable mining acts and regulations in Western Australia and New South Wales. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements 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.</p>
Environmental	<p>The operations and proposed activities of the Company are subject to State and Federal 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. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.</p> <p>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.</p> <p>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.</p> <p>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.</p>
Regulatory risks	<p>The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous</p>

Risk Category	Risk
	<p>matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.</p> <p>Obtaining necessary permits can be a time consuming process and there is a risk that the Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the Company's tenements.</p>
<p>Failure to satisfy expenditure commitments</p>	<p>Interests in tenements are governed by the mining acts and regulations that are current in those States and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in its tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.</p>
<p>Government policy changes</p>	<p>Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in Western Australia may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.</p>
<p>Project development</p>	<p>Possible future development of mineral production operations at the Company's projects are 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, 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.</p> <p>If the Company commences production on any of its projects, its operations may be disrupted by a variety of risks and hazards which are beyond the control of the Company. No assurance can be given that the Company will achieve commercial viability through the development of the projects. The risks associated with the development of a resources project will be considered in full should any of the Company's reach that stage and will be managed with ongoing consideration of stakeholder interests.</p> <p>Feasibility studies are used to determine the economic viability of a deposit. Many factors are involved in the determination of the economic viability of a deposit, including the achievement of satisfactory mineral reserve estimates, the level of estimated metallurgical recoveries, capital and operating cost estimates and the estimate of future metals prices. Capital and operating cost</p>

Risk Category	Risk
	<p>estimates are based upon many factors, including anticipated tonnage and grades of ore to be extracted and processed, the configuration of the ore body, ground and production conditions, expected recovery rates of the commodities from the ore and anticipated environmental and regulatory compliance costs. Each of these factors involves uncertainties and as a result, the Company cannot give any assurance that its development or exploration projects will become operating projects. If a project is developed, actual operating results may differ from those anticipated in a feasibility study.</p>
<p>Operating risks</p>	<p>The Company's ability to achieve production, development, operating cost and capital expenditure estimates on a timely basis cannot be assured.</p> <p>The business of commodity extraction involves many risks and may be impacted by factors including ore tonnes, grade and metallurgical recovery, input prices (some of which are unpredictable and outside the control of the Company), overall availability of free cash to fund continuing development activities, labour force disruptions, cost overruns, changes in the regulatory environment and other unforeseen contingencies. Such occurrences could result in damage to, or destruction of, production facilities, personal injury or death, environmental damage, delays in production, increased production costs and other monetary losses and possible legal liability to the owner or operator of the project.</p> <p>In addition, the Company's profitability could be adversely affected if for any reason its production and processing of or project development is unexpectedly interrupted or slowed. Examples of events which could have such an impact include unscheduled plant shutdowns or other processing problems, mechanical failures, the unavailability of materials and equipment, unusual or unexpected rock formations, poor or unexpected geological or metallurgical conditions, poor water condition, interruptions to gas and electricity supplies, human error and adverse weather conditions.</p>

5.4 General risks

Risk Category	Risk
<p>Economic</p>	<p>General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.</p>
<p>Market conditions</p>	<p>Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> (a) general economic outlook; (b) introduction of tax reform or other new legislation; (c) interest rates and inflation rates; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; and (f) terrorism or other hostilities. <p>The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for</p>

Risk Category	Risk
	equities in general and resource exploration 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.
Litigation risks	The Company is exposed to possible litigation risks including contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.
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.
Taxation	<p>The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.</p> <p>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.</p>
Reliance on key personnel	The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.
Economic conditions and other global or national issues	<p>General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, development and production activities, as well as on its ability to fund those activities.</p> <p>General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.</p> <p>Specifically, it should be noted that the current evolving conflict between Ukraine and Russia is impacting global macroeconomics and markets generally. The nature and extent of the effect of this conflict on the performance of the Company and the value of the Shares remains unknown. The Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the conflict between Ukraine and Russia and overall impacts on global macroeconomics. Given the situation is continually evolving, the outcomes and consequences are inevitably uncertain.</p>

5.5 Speculative investment

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Securities offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Securities.

Before deciding whether to subscribe for Securities under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

6. ADDITIONAL INFORMATION

6.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

6.2 Continuous disclosure obligations

As set out in the Important Notes Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act. Accordingly, information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the 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 the 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 Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in 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 the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at 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 lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
8 November 2023	Update - Proposed issue of securities - PSL
31 October 2023	Quarterly Activities/Appendix 5B Cash Flow Report
30 October 2023	Update - Proposed issue of securities - PSL

Date	Description of Announcement
30 October 2023	Proposed issue of securities – PSL
30 October 2023	Proposed issue of securities – PSL
30 October 2023	\$0.5m Placement Completed and Entitlement Offer
26 October 2023	Trading Halt
23 October 2023	AGM - Notice and Proxy Form
23 October 2023	Reinstatement to Official Quotation
23 October 2023	High Grade Gold intercepts next to Telfer continue
20 October 2023	Notice of Annual General Meeting/Proxy Form
20 October 2023	Suspension from Quotation
18 October 2023	Trading Halt
4 October 2023	Annual General Meeting and Director Nominations
29 September 2023	Appendix 4G
29 September 2023	Corporate Governance Statement

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.pateronresources.com.au.

6.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	(\$)	Date
Highest	\$0.04	11 August 2023
Lowest	\$0.027	2 October 2023
Last	\$0.032	7 October 2023

The New Options are not currently quoted and therefore no trading in the New Options has occurred.

6.4 Material Contracts

6.4.1 Underwriting Agreement

The Company has entered into an underwriting agreement (**Underwriting Agreement**) with the Underwriter pursuant to which the Underwriter has agreed to fully underwrite the Entitlement Offer, being up to the value of \$1,112,424 (the **Underwritten Amount**) (and equal to 39,729,432 Shares and 19,864,716 New Options) (**Underwritten Securities**).

The Underwriter may appoint sub-underwriters to sub-underwrite the Entitlement Offer. The appointment of any sub-underwriter and the allocation of any Underwritten Securities is at the sole discretion of the Underwriter.

The material terms and conditions of the Underwriting Agreement are summarised below:

Fee	The Company will pay the Underwriter an underwriting fee of 6% (plus GST) of the total amount of the Entitlement Offer (Underwriting Fee).
Expenses	<p>In addition to the Underwriting Fee, the Company must also pay to the Underwriter all costs and expenses reasonably and properly incurred by the Underwriter in relation to the Entitlement Offer.</p> <p>These costs and expenses may include but are not limited to reasonable legal expenses and disbursements of the Underwriter. Such costs and expenses are not to exceed \$1,000 without prior approval of the Company.</p>
Termination Events	<p>Termination by the Underwriter</p> <p>The Underwriter may, by giving written notice to the Company at any time prior to the issue of the Underwritten Securities, terminate its obligations under the Underwriting Agreement if:</p> <ul style="list-style-type: none"> (a) (announcement and application for quotation): the Company does not make an announcement of the Entitlement Offer or lodge a completed Appendix 3B with ASX by the Lodgement Date; (b) (no Official Quotation): Official Quotation has not been unconditionally granted by the deadline date the Company must notify the Underwriter of the Shortfall Securities as set out in the timetable set out at Section 1, or, having been granted, is subsequently withdrawn or qualified; (c) (Offer Documentation): any of the following occurs in relation to the Offer Documentation: <ul style="list-style-type: none"> (i) the Underwriter reasonably forms the view that there is a material omission, it contains a material statement which is misleading or deceptive, or a material statement has become misleading or deceptive; (ii) ASIC gives notice of intention to hold a hearing under section 739(2) of the Corporations Act or makes an interim order under section 739(3) of the Corporations Act; or (iii) any person other than the Underwriter who consented to being named in the Offer Documentation withdraws that consent; (d) (restriction on allotment): the Company is prevented from allotting the Securities offered under the Entitlement Offer within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules or any other applicable law; (e) (index change): the S&P ASX 200 Index as determined at close of trading falls to a level that is 85% or less of the level at the close of trading on the date of the Underwriting Agreement; (f) (indictable offence): a director of the Company or any Related Body Corporate is charged with an indictable offence; (g) (return of capital or financial assistance): the Company or a

Related Body Corporate takes any steps to undertake a proposal contemplated under section 257A or passes or takes any steps to pass a resolution under section 260B of the Corporations Act, without the prior written consent of the Underwriter;

- (h) **(banking facilities)**: the Company's bankers terminate or issue any demand or penalty notice or amend the terms of any existing facility or claim repayment or accelerated repayment of any facility or require additional security for any existing facility;
- (i) **(change in laws)**: any of the following occurs:
 - (i) the introduction of legislation into the Parliament of the Commonwealth of Australia or of any State or Territory of Australia; or
 - (ii) the public announcement of prospective legislation or policy by the Federal Government, or the Government of any State or Territory; or
 - (iii) the adoption by the ASIC, its delegates, ASX, the Reserve Bank of Australia or any other regulatory authority of any regulations or policy,which does or is reasonably likely to prohibit, restrict or regulate the principal business of the Company, the Entitlement Offer or the operation of stock markets generally;
- (j) **(failure to comply)**: the Company or any Related Body Corporate fails to comply with any of the following:
 - (i) a provision of its constitution;
 - (ii) any statute;
 - (iii) a requirement, order or request, made by or on behalf of the ASIC or any Governmental Agency; or
 - (iv) any material agreement entered into by it;and that failure to comply has a Material Adverse Effect;
- (k) **(alteration of capital structure or constitution)**: except as described in the Offer Documentation, the Company alters its capital structure or its constitution without the prior written consent of the Underwriter;
- (l) **(extended force majeure)**: a force majeure, which prevents or delays an obligation under the Underwriting Agreement, lasting in excess of two (2) weeks occurs;
- (m) **(default)**: the Company is in material default of any of the terms and conditions of the Underwriting Agreement or breaches any warranty or covenant given or made by it under the Underwriting Agreement and has not remedied that default within 7 days after having been provided with written notice of such default;
- (n) **(adverse change)**: any adverse change occurs in respect of the Company or its assets which has a Material Adverse Effect;
- (o) **(Investigation)**: any person is appointed under any legislation in respect of companies to investigate the affairs of the Company or a Related Body Corporate;
- (p) **(Prescribed Occurrence)**: a Prescribed Occurrence occurs, other than as disclosed in the Offer Documentation;
- (q) **(Insolvency Event)**: an insolvency event occurs in respect of the Company or a Related Body Corporate;
- (r) **(Judgment)**: a judgment in an amount exceeding \$150,000

	<p>is obtained against the Company or a Related Body Corporate and is not set aside or satisfied within 7 days; or</p> <p>(s) (Takeovers Panel): the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Part 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel and that such a declaration or application has a Material Adverse Effect.</p> <p>Termination by the Company</p> <p>The Company may, by giving written notice to the Company at any time prior to the issue of the Underwritten Securities, terminate its obligations under the Underwriting Agreement if:</p> <p>(a) (default): default by the Underwriter under the Underwriting Agreement;</p> <p>(b) (incorrect or untrue representation): any representation, warranty or undertaking given by the Underwriter in the Underwriting Agreement is or becomes untrue or incorrect.</p>
<p>Definitions</p>	<p>In this Section:</p> <p>(a) "Material Adverse Effect" means:</p> <p>(i) an event which could, in the reasonable opinion of the Underwriter, give rise to a liability of the Underwriter under the Corporations Act in respect of the Entitlement Offer;</p> <p>(ii) a material adverse effect on the assets, financial condition, financial position, prospects, business or operations of the Company and any Related Body Corporate either individually or taken as a whole; or</p> <p>(iii) the Underwriter's obligations under the Underwriting Agreement become materially more onerous than those which exist at the date of this Agreement, provided that termination of a sub-underwriter's obligations in respect of the Entitlement Offer shall not constitute a Material Adverse Effect.</p> <p>(b) "Prescribed Occurrence" means, other than previously disclosed by the Company under its continuous disclosure obligations, the occurrence of an event set out in section 652C of the Corporations Act, with appropriate changes for a capital raising rather than a takeover bid.</p>

The Underwriting Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

6.5 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

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

(c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director:

(d) as an inducement to become, or to qualify as, a Director; or

(e) for services provided in connection with:

(i) the formation or promotion of the Company; or

(i) the Offers.

Security holdings

The relevant interest of each of the Directors in the Securities as at the date of this Prospectus, together with their respective Entitlement, is set in Section 1.5.

Remuneration

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 ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$300,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

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

Director	FY ended 30 June 2023	FY ending 30 June 2024
Nick Johansen	\$90,000	\$90,000
Matthew Bull	\$210,078 ¹	\$165,750 ²
Kenneth Banks	\$60,000	\$60,000

Notes:

1. Comprising of \$150,000 in salary and fees, \$15,750 in superannuation and \$44,328 in Performance Rights.
2. Comprising of \$150,000 in salary and fees and \$15,750 in superannuation.

6.6 Interests of experts and advisers

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 (but not a sub-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:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (f) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offers.

Viriathus Capital Pty Ltd has acted as the underwriter of the Offer. The Company estimates it will pay Viriathus Capital Pty Ltd \$66,745 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Viriathus Capital Pty Ltd has not received any fees from the Company for any other services.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offers. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$22,564 (excluding GST and disbursements) for legal services provided to the Company.

During the 24 months preceding lodgement of this Prospectus with the ASIC, RSM Australia Partners has received \$76,702 (excluding GST) in fees from the Company.

6.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons

named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Viriathus Capital Pty Ltd has given its written consent to being named as the underwriter to the Offer in this Prospectus. Viriathus Capital Pty Ltd (including its related entities) is not a Shareholder of the Company and currently has no relevant interest in any of the Company's securities.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus.

RSM Australia Partners has given its written consent to being named as auditor to the Company in this Prospectus and the inclusion of the 30 June 2023 audited balance sheet of the Company in Section 3.4.

6.8 Expenses of the Placement and the Offers

In the event that all Entitlements are accepted, the total expenses of the Placement and the Offers are estimated to be approximately \$120,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	6,076
Underwriting fee	66,745
Legal fees	18,000
Printing and distribution	15,000
Miscellaneous	10,973
Total	120,000

6.9 Directors' Authorisation

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

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

7. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

AGM has the meaning given in Section 1.3.

Application Form means an Entitlement and Acceptance Form, a Placement Offer Application Form or Shortfall Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

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

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at Section 1 (unless extended).

Company means Paterson Resources Ltd (ACN 115 593 005).

Constitution means the constitution of the Company as at the date of this Prospectus.

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

CRN means Customer Reference Number in relation to BPAY®.

Directors means the directors of the Company as at the date of this Prospectus.

Eligible Shareholder means a Shareholder as at the Record Date who is eligible to participate in the Entitlement Offer.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Entitlement Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Entitlement Offer means the non-renounceable entitlement offer of Shares and New Options on the terms and conditions set out in Section 2.1.

Exercise Price means the exercise price of the New Options being \$0.05.

February Placement has the meaning given in Section 1.3.

February Placement Share has the meaning given in Section 1.3.

Ineligible Shareholder means a Shareholder as at the Record Date whose registered address is not situated in Australia, New Zealand or Singapore.

New Option means an Option issued on the terms set out in Section 4.2.

October Placement has the meaning given in Section 1.3.

October Placement Share has the meaning given in Section 1.3.

Offers means the Entitlement Offer and the Placement Offer the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Placements has the meaning given in Section 1.3.

Placement Offer means the offer of New Options on the terms and conditions set out in Section 2.3.

Placement Offer Application Form means the Placement Offer application form either attached to or accompanying this Prospectus.

Placement Options has the meaning given in Section 1.3.

Prospectus means this prospectus.

Underwriter means Viriathus Capital Pty Ltd.

Record Date means the date specified in the timetable set out at Section 1.

Related Body Corporate has the meaning given to that expression in section 50 of the Corporations Act.

Section means a section of this Prospectus.

Securities means Shares and/or Options as the context requires.

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

Shareholder means a holder of a Share.

Shortfall means the Securities not applied for under the Offer (if any).

Shortfall Application Form means the Shortfall Offer application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall Securities on the terms and conditions set out in Section 2.2.

Shortfall Securities means those Securities not applied for under the Entitlement Offer (if any) and offered pursuant to the Shortfall Offer.

WST means Western Standard Time as observed in Perth, Western Australia.