



# Entitlement Offer Prospectus

Kairos Minerals Limited  
(ACN 006 189 331)

This Prospectus is being issued to Eligible Shareholders for a non-renounceable pro-rata offer of one New Share for every five existing Shares held on the Record Date at an issue price of \$0.015 each (**Offer**).

The Offer closes at 5.00pm (AWST) on 19 July 2023 (**Closing Date**)\*.

The Offer is underwritten by Canaccord Genuity (Australia) Limited and Argonaut Securities Pty Limited. Refer to Section 5.2 for a summary of the material terms and conditions of the Joint Underwriting Agreement.

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.**

**IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.**

**THE SHARES OFFERED IN CONNECTION WITH THIS PROSPECTUS ARE OF A SPECULATIVE NATURE.**

\*The Company reserves the right, subject to the Corporations Act and Listing Rules to extend or shorten the Closing Date for the Offer.

## Important information

This Prospectus is dated 27 June 2023 and was lodged with ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No Shares will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

A copy of this Prospectus is available for inspection at the registered office of the Company at Level 1, 43 Ventnor Avenue, West Perth, WA 6005 during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 5.6).

This Prospectus may be made available in electronic form. Persons having received a copy of the Prospectus in electronic form, or other prospective investors may obtain a paper copy of this Prospectus and the relevant Application Form free of charge from the offices of the Company for the duration of the offer period by contacting the Company. Contact details for the Company are detailed in the Corporate Directory.

By paying for your New Shares in accordance with the instructions in Section 2 and the Application Form you acknowledge that you have read this Prospectus and you have acted in accordance with and agree to the terms of the Offer detailed in this Prospectus.

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

No action has been taken to permit the offer of Shares under this Prospectus in any jurisdiction

other than Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law. Persons into whose possession this Prospectus comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Shares in any jurisdiction in which it would be unlawful. In particular, this Prospectus may not be distributed to any person, and the Shares may not be offered or sold, in any country outside Australia except to the extent described in Section 1.13.

This Prospectus is important and should be read in its entirety before deciding to participate in the Offer. This does not take into account the investment objectives, financial or taxation, or particular needs of any Applicant. Before making any investment in the Company, Applicants should consider whether such an investment is appropriate to their particular needs, their individual risk profile for speculative investments, investment objectives and financial circumstances. Applicants should consult their suitably qualified professional adviser without delay.

The Shares offered by this Prospectus should be considered speculative. Some of the risk factors that should be considered are summarised in Section 4.

This Prospectus includes forward-looking statements that have been based on current expectations about future acts, events and circumstances. These forward-looking statements are subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in the forward looking statements.

Definitions of terms used in this Prospectus are in Section 8. All references to currency are to Australian dollars and all references to time are to AWST unless otherwise indicated.

## Corporate directory

### Directors

Klaus Eckhof	Non-Executive Chairman
Peter Turner	Managing Director
Phillip Coulson	Non-Executive Director
Zane Lewis	Non-Executive Director
Mark Calderwood	Non-Executive Director

### Joint Company Secretaries

Sebastian Andre	Joint Company Secretary
Robert Featherby	Joint Company Secretary

### Registered Office

Level 1, 43 Ventnor Avenue  
West Perth, WA 6005

Telephone: +61 8 6380 1904  
Email: info@kairosminerals.com.au  
Website: www.kairosminerals.com.au

**ASX Code: KAI**

### Auditor\*

Hall Chadwick WA Audit Pty Ltd  
283 Rokeby Road  
Subiaco, WA 6008

### Share Registry\*

Advanced Share Registry Ltd  
110 Stirling Highway  
Nedlands, WA 6909

Tel (within Aus): (08) 9389 8033  
Tel (outside Aus): +61 8 9389 8033

### Lawyers

Hamilton Locke Pty Ltd  
Level 48, 152-158 St Georges Terrace  
Perth, WA 6000

### Joint Underwriters

Canaccord Genuity (Australia) Limited  
Level 23, Exchange Tower 2, The Esplanade,  
Perth, WA 6000

Argonaut Securities Pty Limited  
Level 30, Allendale Square, 77 St Georges Terrace  
Perth, WA 6000

\* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

## Indicative Timetable

Event	Date
Announcement of the Offer and Appendix 3B	26 June 2023
Lodgement of Prospectus with ASIC and announcement of Prospectus on ASX	27 June 2023
Shares quoted on an "Ex" basis	4 July 2023
Record date for determining Entitlements	5 July 2023
Prospectus and Application Forms made available to Eligible Shareholders and announcement by the Company that this has occurred Opening date of the Offer	10 July 2023
Last day to extend the Offer closing date	14 July 2023
Offer closes at 5pm	19 July 2023
Unless otherwise determined by ASX, New Shares quoted on a deferred settlement basis from market open	20 July 2023
Announcement of the results of the Offer and Appendix 2A	26 July 2023

\* All dates (other than the date of the Prospectus and the date of lodgement of the Prospectus with ASIC and ASX) are indicative only. The Directors may extend the Closing Date in respect of the Offer by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the New Shares issued under the Offer are expected to commence trading on ASX may vary.

## Table of contents

<b>1.</b>	<b>Details of the Offer</b>	<b>10</b>
<b>2.</b>	<b>Action required by Eligible Shareholders</b>	<b>18</b>
<b>3.</b>	<b>Effect of the Offer</b>	<b>21</b>
<b>4.</b>	<b>Risk Factors</b>	<b>23</b>
<b>5.</b>	<b>Additional Information</b>	<b>32</b>
<b>6.</b>	<b>Directors' Statement and Consent</b>	<b>47</b>
<b>7.</b>	<b>Unaudited Pro Forma Statement of Financial Position</b>	<b>48</b>
<b>8.</b>	<b>Glossary</b>	<b>50</b>

# Letter from the Chairperson

Dear Shareholder

On behalf of your Directors, I am pleased to invite you to participate in this underwritten non-renounceable pro-rata 1-for-5 entitlement offer at an issue price of \$0.015 per New Share to raise approximately \$6.55 million (before costs).

## Offer

Under the Offer, Eligible Shareholders are entitled to subscribe for 1 New Share for every 5 existing Shares held on the Record Date, being 5.00pm (AWST) on 5 July 2023. The New Shares will rank equally with existing Shares on issue.

The Offer is non-renounceable and therefore your Entitlements will not be tradeable on the ASX or otherwise transferable.

## Use of funds

Proceeds from the Offer will be principally applied towards funding exploration and development on the Company's projects, business development, general working capital and to pay the costs of the Offer. Refer to Section 1.3 for additional information.

## Joint Underwriting

The Offer is fully underwritten by Canaccord Genuity (Australia) Pty Ltd and Argonaut Securities Pty Limited. Accordingly, to the extent there remains any shortfall of New Shares not taken up by Eligible Shareholders pursuant to the Offer, these Shares will be subscribed for pursuant to the terms of the Joint Underwriting Agreement. Refer to Section 5.2 for a summary of the material terms and conditions of the Joint Underwriting Agreement.

## Director sub-underwriting

The Directors have committed to sub-underwrite an aggregate of \$1.03 million of the Offer. Refer to Section 5.3 for details. The Directors' sub-underwriting commitments are in addition to any subscription of their respective Entitlements.

## How to apply

Refer to Section 2 for details of how to participate in the Offer.

The Offer is scheduled to close at **5.00pm (AWST) on 19 July 2023**.

If you decide to take this opportunity to increase your investment in the Company please ensure that, before the Closing Date, you have paid your Application Monies, via BPAY® pursuant to the instructions in the Application Form, or if you are based outside of Australia and unable to pay using BPAY®, your Application Monies are sent by direct transfer and received in cleared funds by the Share Registry by the Closing Date.

## Additional information

The Prospectus includes further details of the Offer and the effect of the Offer on the Company, and a summary of certain key risks associated with investing in the Company.

The Prospectus is an important document and should be read in its entirety. If you have any questions in relation to the Prospectus or the Offer, you should consult your suitably qualified professional adviser without delay.

On behalf of the Board, I look forward to your continued support and on updating you on the Company's progress.

Yours faithfully

Klaus Eckhof

Non-Executive Chairman

**Kairos Minerals Limited**

## Investment overview

This Section is intended to highlight key information for potential investors. It is an overview only and is not intended to replace the Prospectus. Potential investors should read the Prospectus in full before deciding to invest in Shares.

Key Information	Further Information
<p><b>Transaction specific prospectus</b></p> <p>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. In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.</p>	Section 5.4
<p><b>Risk factors</b></p> <p>Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 4, including (but not limited to) risks in respect of:</p> <ul style="list-style-type: none"> <li>• <b>Future capital and funding requirements:</b> The Company has no operating revenue and is unlikely to generate any operating revenue unless and until its projects are successfully developed and production commences. The future capital requirements of the Company will depend on many factors including its business development activities. The Company believes its available cash and the net proceeds of the Offer should be adequate to fund its business development activities, exploration program and other Company objectives in the short term as stated in this Prospectus. However, the Company will require additional funding in the future in order to fund its business development activities, exploration program and other Company objectives.</li> <li>• <b>Resource risk:</b> The Company has reported a mineral resource estimate for its flagship Mt York Gold Project. There is inherent uncertainty with mineral resource estimates. In addition, there is no guarantee that inferred mineral resource estimates can successfully be converted to indicated or measured mineral resource estimates to allow potential ore reserve estimates. There remains risk with actual mining performance against any mineral resource or ore reserve estimate.</li> <li>• <b>Exploration and development risks:</b> Mineral exploration and development are high-risk undertakings. There can be no assurance that exploration and development will result in the discovery of further mineral deposits. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited. The future exploration and development activities of the Company may be affected by a range of factors, including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.</li> </ul>	Section 4

Key Information	Further Information
<ul style="list-style-type: none"> <li>• <b>Underwriting risk:</b> The Company has entered into the Joint Underwriting Agreement under which the Joint Underwriters have agreed to underwrite the Offer, subject to the terms and conditions of the Joint Underwriting Agreement. If certain conditions are not satisfied or certain events occur, the Joint Underwriters may terminate the Joint Underwriting Agreement. Termination of the Joint Underwriting Agreement may have a material adverse impact on the proceeds raised under the Offer. Termination of the Joint Underwriting Agreement could materially adversely affect the Company's business, cash flow, financial condition and results.</li> <li>• <b>Environmental risk:</b> 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 noncompliance with environmental laws or regulation.</li> </ul>	
<p><b>Offer</b></p> <p>The Offer is a non-renounceable pro rata offer of 1 New Share for every 5 existing Shares held by Eligible Shareholders on the Record Date, at an issue price of \$0.015 per New Share to raise approximately \$6,552,280 (before costs).</p> <p>Eligible Shareholders may apply under the Offer subject to such applications being received by the Closing Date.</p>	Section 1.1
<p><b>Eligible Shareholders</b></p> <p>The Offer is being made to Eligible Shareholders only. Eligible Shareholders are those Shareholders who:</p> <ul style="list-style-type: none"> <li>• are the registered holder of Shares on the Record Date; and</li> <li>• have a registered address in Australia and New Zealand, or subject to the offer restrictions in Section 1.13, Monaco, the United Kingdom and Singapore.</li> </ul>	Section 1.13
<p><b>Joint Underwriting</b></p> <p>The Offer is underwritten by Canaccord Genuity (Australia) Limited and Argonaut Securities Pty Limited.</p> <p>Any Shares not subscribed for under the Offer will be subscribed for pursuant to the Joint Underwriting Agreement.</p> <p>The Directors have committed to sub-underwrite an aggregate of \$1.03 million of the Offer. Refer to Section 5.3 for details</p>	Sections 1.2, 5.2 and 5.3
<p><b>Use of funds</b></p> <p>The proceeds from the Offer are intended to be applied towards funding exploration on the Company's projects, general working capital and to pay the costs of the Offer.</p>	Section 1.3
<p><b>Effect on control of the Company</b></p> <p>Based on available information as at the date of this Prospectus, there are no</p>	Sections 1.5, 1.6, 3.1 and 5.3

Key Information	Further Information																												
<p>persons which, together with their associates have a voting power in 5% or more of the Shares on issue.</p> <p>As announced on 26 June 2023, following the issue of the 220,000,000 Shares to Global Lithium Resources Limited (ASX: GL1) (<b>GL1</b>) (or its nominee) pursuant the Cornerstone Participation and Collaboration Deed (<b>GL1 Subscription Shares</b>), which is expected to occur on or around 30 June 2023, GL1 (or its nominee) will hold approximately 10.07% of the Company's existing Shares. GL1 (or its nominee) has committed to subscribing for its full Entitlement, subject to the Joint Underwriting Agreement not being terminated.</p> <p>The Offer does not include the ability for Eligible Shareholders to subscribe for Shares in excess of their Entitlements that are not subscribed for by other Eligible Shareholders. Accordingly, the Company is of the view that the Offer will not affect the control of the Company as no investor or existing Shareholder will be able to increase their existing voting power.</p> <p>Shareholders should note that if they do not participate in the Offer, their holdings will be diluted. Examples of how the dilution may impact Shareholders are set out in Section 1.7.</p>																													
<p><b>Indicative capital structure and pro-forma balance sheet</b></p> <p>The indicative capital structure upon completion of the Offer is below:</p> <table border="1" data-bbox="193 1021 1198 1462"> <thead> <tr> <th>Securities</th> <th>Shares</th> <th>Options</th> <th>Performance Rights</th> </tr> </thead> <tbody> <tr> <td>Existing Securities</td> <td>1,964,093,491</td> <td>296,400,000</td> <td>25,000,000</td> </tr> <tr> <td>GL1 Subscription Shares</td> <td>220,000,000</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>New Shares under the Offer</td> <td>436,818,698</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>Joint Underwriter Options</td> <td>Nil</td> <td>50,000,000</td> <td>Nil</td> </tr> <tr> <td>Sub-Underwriting Options</td> <td>Nil</td> <td>145,606,233</td> <td>Nil</td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>2,620,912,189</b></td> <td><b>492,006,233</b></td> <td><b>25,000,000</b></td> </tr> </tbody> </table> <p>Further details in respect of the Company's capital structure are in Section 3.</p> <p>Refer to Section 5.2(b) for further details in respect to the Joint Underwriter Options and Sub-Underwriting Options. The table above assumes the maximum number of Sub-Underwriting Options are issued.</p> <p>The indicative pro-forma balance sheet showing the effect of the Offer is in Section 7.</p>	Securities	Shares	Options	Performance Rights	Existing Securities	1,964,093,491	296,400,000	25,000,000	GL1 Subscription Shares	220,000,000	Nil	Nil	New Shares under the Offer	436,818,698	Nil	Nil	Joint Underwriter Options	Nil	50,000,000	Nil	Sub-Underwriting Options	Nil	145,606,233	Nil	<b>TOTAL</b>	<b>2,620,912,189</b>	<b>492,006,233</b>	<b>25,000,000</b>	<p>Sections 3.1 and 7</p>
Securities	Shares	Options	Performance Rights																										
Existing Securities	1,964,093,491	296,400,000	25,000,000																										
GL1 Subscription Shares	220,000,000	Nil	Nil																										
New Shares under the Offer	436,818,698	Nil	Nil																										
Joint Underwriter Options	Nil	50,000,000	Nil																										
Sub-Underwriting Options	Nil	145,606,233	Nil																										
<b>TOTAL</b>	<b>2,620,912,189</b>	<b>492,006,233</b>	<b>25,000,000</b>																										

**Directors' interests in Shares and Entitlements**

Section 5.9(b)

The relevant interest of each of the Directors in Shares as at the date of this Prospectus, together with their respective Entitlements, is as follows:

Director	Shares	Entitlement
Klaus Eckhof	27,500,000	5,500,000
Peter Turner	Nil	Nil
Zane Lewis	10,250,000	2,050,000
Phillip Coulson	54,861,145	10,972,229
Mark Calderwood	250,000	50,000

As at the date of this Prospectus, it is the intention of all Directors to take up all or part of their Entitlements.

The Directors have committed to sub-underwrite an aggregate of \$1.03 million of the Offer. Refer to Section 5.3 for details. The Directors' sub-underwriting commitments are in addition to any subscription of their respective Entitlements.

**Forward looking statements**

Important Information and Section 4

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 considered reasonable.

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 management.

The Directors cannot and do 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 Directors have 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 summarised in Section 4.

# 1. Details of the Offer

---

## 1.1 Offer

The Company is making an offer to Eligible Shareholders to participate in a non-renounceable entitlement offer to raise approximately \$6,552,280 (before costs) by the issue of approximately 436,818,698 New Shares.

The Offer will be determined on the basis of 1 New Share for every 5 Shares held at the Record Date at an issue price of \$0.015 each and otherwise on the terms and conditions contained in this Prospectus.

The purpose of the Offer is to:

- (a) provide Eligible Shareholders with the opportunity to take up Shares proportional to their shareholding and to mitigate the effect of dilution; and
- (b) provide the Company with additional funds to be attributed in accordance with the use of funds set out in Section 1.3.

As at the date of this Prospectus, the Company has on issue 1,964,093,491 Shares. The market price of Shares at the date of this Prospectus is such that it is unlikely that any of the existing Options will be exercised before the Record Date. Assuming the Company issues the GL1 Subscription Shares and no other Shares are issued or equity securities converted into Shares prior to the Record Date (and subject to entitlement rounding), the Offer is for 436,818,698 New Shares to raise approximately \$6,552,280 (before costs).

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of a Share, such fraction will be rounded up to the nearest whole Share.

No Shares will be issued to an Applicant under this Prospectus if the issue of Shares would contravene the takeover prohibition in section 606 of the Corporations Act.

As announced on 26 June 2023, following the issue of the 220,000,000 Shares to Global Lithium Resources Limited (ASX: GL1) (**GL1**) (or its nominee) pursuant the Cornerstone Participation and Collaboration Deed (**GL1 Subscription Shares**), which is expected to occur on or around Friday, 30 June 2023, GL1 (or its nominee) will hold approximately 10.07% of the Company's existing Shares.

The New Shares will be fully paid and rank equally with the Company's existing Shares on issue at the date of this Prospectus. A summary of the rights and liabilities attaching to the New Shares is in Section 5.1.

## 1.2 Joint Underwriting

The Company is party to an underwriting agreement with Canaccord Genuity (Australia) Limited (**Canaccord**) and Argonaut Securities Pty Ltd (**Argonaut**) (together, the **Joint Underwriters**) dated 26 June 2023 (**Joint Underwriting Agreement**), pursuant to which the Joint Underwriters have agreed to fully underwrite the Offer.

Pursuant to the Joint Underwriting Agreement, any Shares not validly applied for under the Offer will be subscribed for by or on behalf of the Joint Underwriters.

Each of the Shares to be issued to the Joint Underwriters pursuant to the Joint Underwriting Agreement will be issued on the same terms and conditions of the Shares being offered under the Offer.

A summary of the material terms of the Joint Underwriting Agreement is in Section 5.2.

### 1.3 Use of funds

Following completion of the Offer and the subscription and issue of the GL1 Subscription Shares, the following funds will be available to the Company:

Source of funds	\$
Proceeds from issue of GL1 Subscription Shares	\$3,960,000
Proceeds from the Offer	\$6,552,280
<b>Total funds available</b>	<b>\$10,512,280</b>

The following table shows the intended use of funds following completion of the subscription and issue of the GL1 Subscription Shares and the Offer:

Use of funds	\$	%
Roe Hills exploration expenditure <sup>(1)</sup>	\$4,000,000	38.05%
Pilbara exploration expenditure <sup>(1)</sup>	\$3,500,000	33.29%
Business development <sup>(2)</sup>	\$1,000,000	9.51%
Estimated expenses of the Offer <sup>(3)</sup>	\$480,000	4.57%
Working capital <sup>(4)</sup>	\$1,532,280	14.58%
<b>Total Funds allocated</b>	<b>\$10,512,280</b>	<b>100.0%</b>

**Notes:**

1. Comprises exploration activities including geophysical studies, drilling, trenching, sampling and associated costs.
2. Business development includes possible acquisition of additional complementary licences or projects to the existing portfolio.
3. Expenses paid or payable by the Company in relation to the Offer are set out in Section 5.12.
4. Working capital includes the general costs associated with the management and operation of the business including administration expenses, rent and other associated costs. Working capital also includes surplus funds.

The above is a statement of current intentions at the date of this Prospectus. Intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

The amounts and timing of the actual expenditures and investments may vary significantly and will depend on numerous factors including the success of exploration activities, access conditions, weather and any changes in the business and economic environment.

## 1.4 Opening and Closing Dates

The Company will accept Applications from the date it dispatches the Prospectus until 5:00pm (AWST) on 19 July 2023 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules, the Corporations Act and the Joint Underwriting Agreement (**Closing Date**).

## 1.5 Substantial shareholders

Based on available information as at the date of this Prospectus, there are no persons which, together with their associates have a voting power in 5% or more of the Shares on issue.

Following the issue of the GL1 Subscription Shares, GL1 (or its nominee) will hold 220,000,000 Shares, representing a voting power of 10.07%. GL1 (or its nominee) has committed to subscribe for its full Entitlement, subject to the Joint Underwriting Agreement not being terminated.

## 1.6 Effect on control of the Company

Section 606(1) of the Corporations Act prohibits a person, unless an exception applies, from increasing their voting power in the Company:

- (a) from 20% or below to above 20%; or
- (b) from a starting point of above 20% and below 90%.

One of the exceptions to section 606(1) is where that increase occurs as a result of an issue under a disclosure document to an underwriter or sub-underwriter to the issue.

The maximum total number of New Shares proposed to be issued under the Offer is 436,818,698, which will constitute 16.67% of the Shares on issue following completion of the Offer (assuming no other Shares, other than the GL1 Subscription Shares, are issued prior to the Record Date). The Company is of the view that the Offer will not affect the Control (as defined by section 50AA of the Corporations Act) of the Company and that no investor or existing Shareholder will have a voting power greater than 20% as a result of the completion of the Offer.

As described elsewhere in this Prospectus, Canaccord and Argonaut (the **Joint Underwriters**) have agreed to fully underwrite the Offer. As at the date of this Prospectus, Canaccord holds a relevant interest in 210,000 Shares and Argonaut does not hold a relevant interest in any Shares. The Joint Underwriters have each indicated to the Company that they have no intention of acquiring additional Shares in the Company prior to the Record Date.

The Joint Underwriters' maximum potential relevant interest and voting power in the Company under several scenarios are set out in the table below based on the assumptions that:

- (a) no Shares other than those offered under the Offer and the GL1 Subscription Shares are issued;
- (b) the Joint Underwriters do not acquire or dispose of any Shares other than as described below (including pursuant to the exercise of any Joint Underwriter Options or Sub-Underwriting Options); and
- (c) the Joint Underwriters satisfy their respective underwriting obligations by subscribing for Shares themselves (on a 50/50 basis), rather than through sub-underwriting commitments with third parties. This outcome is considered unlikely as the Underwriter has or will enter into sub-underwriting agreements with various third parties, including the Director sub-underwriting described in Section 5.3).

	Shares held by Canaccord at completion of the Offer	Canaccord's voting power (%)	Shares held by Argonaut at completion of the Offer	Argonaut's voting power (%)
Offer 100% subscribed by Eligible Shareholders	252,000	0.010%	Nil	Nil
Offer 75% subscribed by Eligible Shareholders	54,843,837	2.093%	54,602,337	2.083%
Offer 50% subscribed by Eligible Shareholders	109,435,675	4.175%	109,204,675	4.167%
Offer 25% subscribed by Eligible Shareholders	164,027,512	6.258%	163,807,012	6.250%
Offer 0% subscribed by Eligible Shareholders	218,619,349	8.341%	218,409,349	8.333%

References to the "Joint Underwriters" above include references to the Joint Underwriter's associates.

In the unlikely event that no Eligible Shareholders participate in the Offer, the Joint Underwriters' or their associates subscribe for all New Shares under the Joint Underwriting Agreement and no other Shares are issued other than the GL1 Subscription Shares, the Joint Underwriters' respective voting power would increase as follows:

- (a) in respect to Canaccord, from 0.01% to 8.34%;
- (b) in respect to Argonaut, from Nil to 8.33%; and
- (c) in respect to both Canaccord and Argonaut, collectively, from 0.01% to 16.67%.

Accordingly, neither the Offer or the Joint Underwriting Agreement are considered likely to have a material effect on the control of the Company.

## 1.7 Potential dilution

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record Date	% at Record Date	Entitlement to New Shares	% holding if Entitlement taken up	% holding if Entitlement not taken up
Shareholder 1	10,000,000	0.46%	2,000,000	0.46%	0.42%

Holder	Holding as at Record Date	% at Record Date	Entitlement to New Shares	% holding if Entitlement taken up	% holding if Entitlement not taken up
Shareholder 2	5,000,000	0.23%	1,000,000	0.23%	0.21%
Shareholder 3	2,500,000	0.11%	500,000	0.11%	0.10%
Shareholder 4	1,000,000	0.05%	200,000	0.05%	0.04%
Shareholder 5	500,000	0.02%	100,000	0.02%	0.02%

The dilution effect shown in the table above is the maximum percentage on the assumption that those Entitlements not accepted are subscribed for pursuant to the Underwriting Agreement.

The above table also assumes that no other Shares are issued or equity securities converted into Shares prior to the Record Date, other than the GL1 Subscription Shares.

### 1.8 No rights trading

The rights to Entitlements under the Offer are non-renounceable. Accordingly, there will be no trading of rights on ASX and you may not dispose of your Entitlement to any other party. If you do not take up your Entitlement by the Closing Date, your Entitlement will lapse.

### 1.9 Issue date and dispatch

All New Shares under the Offer are expected to be issued on or before the date specified in the proposed timetable in this Prospectus.

Security holder statements will be dispatched at the end of the calendar month following the issue of the New Shares under the Offer.

It is the responsibility of Applicants to determine their allocation prior to trading in the New Shares. Applicants who sell New Shares before they receive their holding statements do so at their own risk.

### 1.10 Application Monies held on trust

All Application Monies received for New Shares under the Offer will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the New Shares are issued. All Application Monies will be returned (without interest) if the New Shares are not issued.

### 1.11 ASX quotation

Application has been or will be made for the official quotation of the New Shares offered by this Prospectus. If permission is not granted by ASX for the official quotation of the New Shares offered by this Prospectus within three months after the date of this Prospectus (or such period as the ASX allows), the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

ASX takes no responsibility for the contents of this Prospectus.

## 1.12 **CHESS**

The Company participates in the Clearing House Electronic Sub-register System, known as CHESS. ASX Settlement Pty Limited, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Shares.

If you are broker sponsored, ASX Settlement Pty Limited will send you a CHESS statement.

The CHESS statement will specify the number of Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Shares.

If you are registered on the Issuer Sponsored sub-register, your statement will be despatched by Advanced Share Registry and will contain the number of Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their holding changes. Shareholders may request a statement at any other time; however, a charge may be made for additional statements.

## 1.13 **Ineligible Foreign Shareholders**

This Prospectus, and any accompanying Application Form, do not, and is not intended to, constitute an offer of Shares 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 or the Shares under the Offer. In particular, this Prospectus may not be distributed to any person, and the Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

The Company believes that it is unreasonable to extend the Offer to Ineligible Foreign Shareholders. The Company has formed this view having considered:

- (a) the number and value of the Shares that would be offered to those Shareholders; and
- (b) the cost of complying with the legal requirements and the requirements of regulatory authorities in the overseas jurisdictions.

Ineligible Foreign Shareholders will not be entitled to participate in the Offer.

### **Monaco**

The New Shares may only be offered and sold in Monaco to existing Shareholders and may not be offered or sold, directly or indirectly, to the public in Monaco.

The recipients of this Prospectus in Monaco are perfectly fluent in English and expressly waive the possibility of a French translation of this Prospectus. *(Les destinataires du présent document reconnaissent être à même d'en prendre connaissance en langue anglaise et renoncent expressément à une traduction française.)*

## United Kingdom

Neither this Prospectus nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this Prospectus or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This Prospectus is issued on a confidential basis in the United Kingdom to fewer than 150 persons who are existing Shareholders. This Prospectus may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together **Relevant Persons**). The investment to which this Prospectus relates is available only to relevant persons. Any person who is not a Relevant Person should not act or rely on this Prospectus.

## Singapore

This Prospectus and any other materials relating to the New Shares 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 relating to the Shares may not be issued, circulated or distributed, nor may the Shares 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) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the **SFA**) or another exemption under the SFA.

This Prospectus has been given to you on the basis that you are an existing holder of Shares. If you are not such a shareholder, 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 New Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

## New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This Prospectus is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

### 1.14 Notice to nominees and custodians

Nominees and custodians that hold Shares should note that the Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is

acting as a nominee or the identity or residence of any beneficial owners of Shares. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

Nominees and custodians may not distribute this Prospectus, and may not permit any beneficial shareholder to participate in the Offer, in any country outside Australia, Monaco and New Zealand except, with the consent of the Company, to beneficial shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the Offer.

#### **1.15 Risk factors**

An investment in Shares should be regarded as speculative. In addition to the general risks applicable to all investments in securities, there are certain specific risks associated with an investment in the Company which are detailed in Section 4.

#### **1.16 Taxation implications**

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Shares under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for Shares under this Prospectus.

#### **1.17 Major activities and financial information**

A summary of the major activities and financial information relating to the Company, for the year ended 30 June 2022, can be found in the Company's Annual Report announced on ASX on 30 September 2022 and, for the half-year ended 31 December 2022, the Half Year Report and Accounts announced on ASX on 15 March 2023. The Company's continuous disclosure notices (i.e. ASX announcements) since 31 December 2022 are listed in Section 5.6. Copies of these documents are available free of charge from the Company. The Directors strongly recommend that Applicants review these and all other announcements prior to deciding whether or not to participate in the Offer.

#### **1.18 Privacy**

The Company collects information about each Applicant for the purposes of processing the Applications and, if the Application is successful, to administer the Applicant's holding of Shares in the Company.

By making an Application, each Applicant agrees that the Company may use the information provided by an Applicant for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required, the Company may not be able to accept or process your Application.

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests can be made in accordance with Principle 12 of the Australian Privacy Principles and may be made in writing to the Company's registered office.

## 2. Action required by Eligible Shareholders

---

### 2.1 Action in relation to the Offer

Should Eligible Shareholders wish to participate in the Offer, Eligible Shareholders may either take up all of their Entitlement (refer to Section 2.2) or part of their Entitlement (refer to Section 2.3).

If you do not wish to take up any of your Entitlement, you may allow your Entitlement to lapse (refer to Section 2.4).

**If you wish to participate in the Offer and are resident in Australia, you must make payment by BPAY®.**

If you are an Eligible Shareholder and are resident in a jurisdiction other than Australia, your application may be made through Electronic Funds Transfer (EFT) using the payment details in your Application Form.

### 2.2 Eligible Shareholders wishing to Accept Entitlement in full

If you wish to take up all of your Entitlement, you are required to make payment via BPAY® if you are an Australian resident, or EFT if you are an Eligible Shareholder resident in a jurisdiction other than Australia.

Payment is due by no later than 5.00pm (AWST) on the Closing Date. Note that when paying by BPAY® or EFT you are not required to submit the personalised Application Form but are taken to make the statements on that form.

### 2.3 Eligible Shareholders wishing to take up only part of their Entitlement

If you only wish to take up part of your Entitlement under the Offer you are required to make payment via BPAY® if you are an Australian resident, or EFT if you are an Eligible Shareholder resident in a jurisdiction other than Australia.

If you wish to take up only part of your Entitlement, payment must be made by following the instructions on the personalised Application Form for the number of New Shares you wish to take up. If the Company receives an amount that is less than the offer price multiplied by your Entitlement, your payment may be treated as an application for as many New Shares as your Application Monies will pay for in full.

Payment is due by no later than 5.00pm (AWST) on the Closing Date. Note that when paying by BPAY® or EFT you are not required to submit the personalised Application Form but are taken to make the statements on that form.

### 2.4 Entitlements not taken up

If you do not wish to accept any of your Entitlement, you are not obliged to do anything. The number of Shares you hold and the rights attached to those Shares will not be affected should you choose not to accept any of your Entitlement.

### 2.5 How to Pay (Via BPAY® or EFT)

The price of \$0.015 per New Share is payable on acceptance of your Application.

If you wish to participate in the Offer and are an Australian resident, you must make payment by BPAY®. If you are an Eligible Shareholder and resident in a jurisdiction other than Australia, you must make payment by EFT.

Cash, cheques, bank drafts and money order payments will not be accepted. Receipts for payments will not be issued.

The Company will treat Eligible Shareholders as applying for as many New Shares as their payment will pay for in full and subject to their respective Entitlement. If an Eligible Shareholder's payment will pay for more than their full Entitlement, the Company will treat the Eligible Shareholder as applying for their full Entitlement and the excess Application Monies received from Eligible Shareholders for more than their final allocation of New Shares will be refunded except for where the amount is less than \$1.00 in which case it will be donated to a charity chosen by the Company. No interest will be paid on any Application Monies received or refunded.

Application Monies received from Eligible Shareholders will be held on trust until such time as the relevant Shares are issued or the Application Monies are refunded.

To the fullest extent permitted by law, each Eligible Shareholder agrees that any Application Monies paid by them to the Company will not entitle them to any interest against the Company and that any interest earned in respect of Application Monies will belong to the Company. This will be the case, whether or not all or none (if the Offer is withdrawn) of the New Shares applied for by a person are issued to that person.

For payment by BPAY® or EFT, please follow the instructions set out in this Section 2 or on your personalised Application 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 make sure to use the specific Biller Code and unique Reference Number.

If Eligible Shareholders pay by BPAY® or EFT and do not pay for their full Entitlement, their remaining Entitlements will lapse.

If Eligible Shareholders have more than one holding, they must login separately for each holding and use the Reference Number specific to the relevant holding. Alternatively, if Eligible Shareholders have requested a personalised Application Form and have more than one holding, they will receive separate forms for each holding. If Eligible Shareholders do not use the correct Reference Number specific to that holding, or inadvertently use the same Reference Number for more than one of their holdings, their application will be recorded against the holding associated with Reference Number they use.

Please note that when paying by BPAY® or EFT:

- (a) you do not need to submit the personalised Application Form but are taken to have made the statements on that personalised Application Form; and
- (b) if you do not pay for your full Entitlement, 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 received.

You should be aware that your financial institution branch 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 your payment is received by the Share Registry by no later than the relevant date by which funds are required to have been received.

Your Application cannot be withdrawn once received except under limited circumstances pursuant to the Corporations Act. No cooling off period applies.

## 2.6 Warranties made on acceptance of an Offer

Making a payment via BPAY® or EFT creates a legally binding contract between the Applicant and the Company for the number of Shares accepted by the Company.

By making a payment via BPAY® or EFT, you will also be deemed to have:

- (a) represented and warranted that you have received a copy of the Prospectus with the Application Form;
- (b) represented and warranted that you are an Eligible Shareholder if you receive an Application Form;
- (c) represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus;
- (d) agreed to be bound by the terms of the Offer;
- (e) declared that all details and statements outlined in your Application Form are complete and accurate;
- (f) declared that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Application Form and as described in this Prospectus;
- (g) authorised the Company and its respective officers or agents, to do anything on your behalf necessary for the Shares to be issued to you, including correcting as or to act on instructions of the Company's share registry upon using the contact details set out in the Application Form;
- (h) acknowledged that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that the Shares are suitable for you given your investment objectives, financial situation or particular needs; and
- (i) acknowledged that the Shares offered under this Prospectus have not, and will not be, registered under the securities laws in any jurisdictions outside Australia.

### 3. Effect of the Offer

#### 3.1 Capital structure on completion of the Offer

Assuming that prior to the Record Date, no existing Options are exercised and the Company issues the GL1 Subscription Shares, the effect of the Offer on the Company's issued capital as at the date of this Prospectus is as shown in the following table:

Securities	Shares	Options	Performance Rights
Existing Securities	1,964,093,491	296,400,000 <sup>(2)</sup>	25,000,000 <sup>(5)</sup>
GL1 Subscription Shares	220,000,000 <sup>(1)</sup>	Nil	Nil
New Shares under the Offer	436,818,698	Nil	Nil
Joint Underwriter Options	Nil	50,000,000 <sup>(3)</sup>	Nil
Sub-Underwriting Options	Nil	145,606,233 <sup>(4)</sup>	Nil
<b>TOTAL</b>	<b>2,620,912,189</b>	<b>492,006,233</b>	<b>25,000,000</b>

**Notes:**

- 220,000,000 GL1 Shares expected to be issued to GL1 (or its nominee) on or around Friday, 30 June 2023 pursuant to the Cornerstone Participation and Collaboration Deed dated 25 June 2023 and announced on 26 June 2023.
- 296,400,000 Options comprising:
  - 138,400,000 Options exercisable at \$0.08 each on or before 1 October 2023;
  - 12,000,000 Options exercisable at \$0.05 each on or before 1 May 2025; and
  - 146,000,000 Options, exercisable at \$0.05 each on or before 1 May 2026.
- 50,000,000 Options exercisable at \$0.05 each and expiring on 1 May 2026 at a nominal issue price of \$0.00001 per Option, to be issued to the Joint Underwriters as partial consideration for joint underwriting services in connection with the Offer and pursuant to the Joint Underwriting Agreement. Refer to Section 5.2 for a summary of the terms and conditions of the Joint Underwriting Agreement.
- Assumes that the maximum number of Sub-Underwriting Options are issued pursuant to the Joint Underwriting Agreement. In the event the Joint Underwriters are not required to fully underwrite the Offer, the number of Sub-Underwriting Options issued pursuant to the Joint Underwriting Agreement will be reduced correspondingly. Refer to Section 5.2 for a summary of the terms and conditions of the Joint Underwriting Agreement.
- 25,000,000 Performance Rights which vest into 25,000,000 Shares subject to the satisfaction of various milestones, and otherwise on the terms and conditions set out in the Company's notice of meeting announced on 17 June 2022.

#### 3.2 Effect of the Offer on the Company's financial position

To illustrate the effect of the Offer on the financial position of the Company, set out in Section 7 is the reviewed statement of financial position of the Company and the unaudited pro forma statement of financial position, both as at 31 December 2022 (**Balance Date**). Each has been prepared on the basis of the accounting policies normally adopted by the Company.

The unaudited pro forma statement of financial position has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The unaudited pro forma statement of financial position has been prepared on the basis that the assets and liabilities of the Company have not been subject to any material change between 31 December 2022 and the completion of the Offer except for the subscription and issue of the GL1 Subscription Shares, movements in working capital resulting from transactions and expenditures incurred in the normal course of business including corporate costs and exploration activities.

Other than as specified above and in the ordinary course of business, there have been no other material transactions between 31 December 2022 and the date of this Prospectus. For further information please see Sections 4.1(b) and 4.1(c).

### 3.3 **Market price of Shares**

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

Lowest:           \$0.017 on 26 June 2023

Highest:          \$0.023 on 20 April and 3 May 2023

The latest closing market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was \$0.017 per Share on 23 June 2023.

## 4. Risk Factors

---

Activities in the Company and its controlled entities, as in any business, are subject to risks, which may impact on the Company's future performance. The Company and its controlled entity have implemented appropriate strategies, actions, systems and safeguards for known risks, however, some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Shareholders should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

### 4.1 Risks specific to the Company

#### (a) Exploration and development risk

The Company is currently loss making (having incurred net losses in each year since inception) and will require further financing in the future, in addition to amounts raised pursuant to the Offer. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the current market price (or Issue Price) or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

The future capital requirements of the Company will depend on many factors, including the pace and magnitude of the development of its business and sales, increasing operating costs and inflation risks which may adversely affect the Company's performance. As such, the Company may need to raise additional funds from time to time to finance the ongoing development and commercialisation of its technology and to meet its other longer-term objectives.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and this could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern.

The Company may undertake additional offerings of Shares and of securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company's existing shareholders will be diluted.

#### (a) Mine development

Possible future development of mining operations at the Company's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, 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, cost overruns, access to the required level of funding and contracting risk for third parties providing essential services.

No assurance can be given that any of the Company's projects will achieve commercial viability. The risks associated with the development of a mine will be considered in full as part of the Company's exploration activities and will be managed with ongoing consideration of stakeholder interests.

**(b) Underwriting risk**

The Company has entered into the Joint Underwriting Agreement under which the Joint Underwriters have agreed to underwrite the Offer, subject to the terms and conditions of the Joint Underwriting Agreement. If certain conditions are not satisfied or certain events occur, the Joint Underwriters may terminate the Joint Underwriting Agreement.

Termination of the Joint Underwriting Agreement may have a material adverse impact on the proceeds raised under the Offer. Termination of the Joint Underwriting Agreement could materially adversely affect the Company's business, cash flow, financial condition and results. See Section 5.2 for further details of the Joint Underwriting Agreement.

**(c) Future capital and funding requirements**

The Company has no operating revenue and is unlikely to generate any operating revenue unless and until its projects are successfully developed and production commences. The future capital requirements of the Company will depend on many factors including its business development activities. The Company believes its available cash and the net proceeds under the Offer should be adequate to fund its business development activities, exploration program and other Company objectives in the short term as stated in this Prospectus. However, the Company may require additional funding in the future in order to fund its business development activities, exploration program and other Company objectives.

In order to successfully develop its projects and for production to commence, the Company will require further financing in the future, in addition to amounts raised pursuant to the Offer. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price (or price per Share pursuant to the Offer) or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Company's activities, including resulting in the Tenements being subject to forfeiture, and could affect the Company's ability to continue as a going concern.

The Company may undertake additional offerings of Shares and of securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company's existing Shareholders will be diluted.

**(d) New projects and potential acquisitions**

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.

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.

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). 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.

(e) **Currency volatility**

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

## 4.2 **Mining industry risks**

(a) **Resource risk**

There is inherent uncertainty with mineral resource estimates. In addition, there is no guarantee that inferred mineral resource estimates can successfully be converted to indicated or measured mineral resource estimates to allow potential reserve estimates. There remains risk, regardless of JORC Code or other status, with actual mining performance against any resource or reserve estimate.

(b) **Operating risk**

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.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its Tenement interests. Unless and until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(c) **Metallurgy**

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:

- (i) identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;

- (ii) developing an economic process route to produce a metal and/or concentrate;  
and
- (iii) changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the project.

(d) **Environmental risks**

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.

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 noncompliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive. Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

(e) **Grant, tenure and forfeiture of licences**

The Company's Tenements are subject to the applicable mining acts and regulations in Western Australia, pursuant to which mining and exploration tenements are subject to periodic renewal. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. There is no guarantee that current or future tenements or future applications for production tenements will be approved. 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.

Prior to any development on any of its properties, subsidiaries of the Company must receive licences/permits from appropriate governmental authorities. There is no certainty that the Company and its subsidiaries will hold all licences/permits necessary to develop or continue operating at any particular property.

The Company considers the likelihood of tenure forfeiture to be low given the laws and regulations governing exploration in Western Australia and the ongoing expenditure being budgeted by the Company. However, the consequences of forfeiture or involuntary surrender of a granted tenement for reasons beyond the control of the Company could be significant.

Similarly, the rights to mining leases and exploration licences carry with them various obligations which the holder is required to comply with in order to ensure the continued

good standing of the lease or licence and, specifically, obligations in regard to minimum expenditure levels and responsibilities in respect of the environment and safety. Failure to observe these requirements could prejudice the right to maintain title to a given area and result in government action to forfeit a lease or leases or licence or licences. There is no guarantee that current or future exploration applications or existing licence renewals will be granted, that they will be granted without undue delay, or that the Company can economically comply with any conditions imposed on any granted exploration permits.

(f) **Native title and Aboriginal heritage**

Access to land for exploration purposes can be adversely affected by land ownership, including private (freehold) land, pastoral lease and native title land or claims under the Native Title Act 1993 (Cth) (**NTA**) (or similar legislation in the jurisdiction where the Company operates). The effect of the NTA is that existing and new tenements held by the Company may be affected by native title claims and procedures.

There is a risk that a determination could be made that native title exists in relation to land the subject of a tenement held or to be held by the Company which may affect the operation of the Company's business and development activities. In the event that it is determined that native title does exist or a native title claim has been registered, the Company may need to comply with procedures under the NTA in order to carry out its operations or to be granted any additional rights required. Such procedures may take considerable time, involve the negotiation of significant agreements, may involve access rights, and require the payment of compensation to those persons holding or claiming native title in the land the subject of a tenement.

The involvement in the administration and determination of native title issues may have a material adverse impact on the position of the Company in terms of cash flows, financial performance, business development, and the Share price.

(g) **Third party tenure risks**

Under Western Australian and Commonwealth legislation, the Company may be required, in respect of exploration or mining activities on the Tenements, to recognise the rights of, obtain the consent of, and/or pay compensation to the holders of third-party interests which overlay areas within the Tenements, including other mining tenure, pastoral leases or petroleum tenure.

The Company will continue to be required to negotiate access arrangements and pay compensation to land owners, local authorities, traditional land users and others who may have an interest in the area covered by a Tenement. The Company's ability to resolve access and compensation issues will have an impact on the future success and financial performance of the Company's operations. If the Company is unable to resolve such compensation claims on economic terms, this could have a material adverse effect on the business, results or operations and financial condition of the Company.

Any delays or costs in respect of conflicting third-party rights (for example, in relation to the assignment of any access agreements or the relocation of existing infrastructure on any existing miscellaneous licences that overlap with a Tenement), obtaining necessary consents, or compensation obligations, may adversely impact the Company's ability to carry out exploration or mining activities within the affected areas.

(h) **Commodity and currency price risk**

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities may expose the potential income of the Company to commodity price and exchange rate risks. The price of gold, lithium and other minerals

fluctuate and are affected by numerous factors beyond the control of the Company, such as industrial and retail supply and demand, exchange rates, inflation rates, changes in global economies, confidence in the global monetary system, forward sales of metals by producers and speculators as well as other global or regional political, social or economic events. Future serious price declines in the market values of gold, lithium, and other minerals could cause the development of, and eventually the commercial production from, the Company's projects and the Company's other properties to be rendered uneconomic. Depending on the prices of commodities, the Company could be forced to discontinue production or development and may lose its interest in, or may be forced to sell, some of its properties. There is no assurance that, even as commercial quantities of gold and base metals are produced, a profitable market will exist for it.

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

In addition to adversely affecting any potential future reserve estimates of the Company and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

(i) **Competition risk**

The industry in which the Company is involved is subject to domestic and global competition, including major mineral exploration and production companies. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

The Company's current and future potential competitors may include entities with greater financial and other resources than the Company which, as a result, may be in a better position to compete for future business opportunities. Many of the Company's competitors not only explore for and produce minerals, but also carry out refining operations and other products on a worldwide basis. There can be no assurance that the Company can compete effectively with these entities.

(j) **Third party contractor risks**

The Company is unable to predict the risk of insolvency or managerial failure by any of the third party contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity. The effects of such failures may have an adverse effect on the Company's activities.

(k) **Reliance on key personnel**

The Company is reliant on a number of key personnel and consultants, including members of the Board. The loss of one or more of these key contributors could have an adverse impact on the business of the Company.

(l) **Staffing**

It may be difficult for the Company to attract and retain suitably qualified and experienced people given the current high demand in the industry and relatively small size of the Company, compared with other industry participants.

(m) **Climate change**

There are a number of climate-related factors that may affect the Company's business. Climate change or prolonged periods of adverse weather and climatic conditions (including rising sea levels, floods, hail, drought, water, scarcity, temperature extremes, frosts, earthquakes and pestilences) may have an adverse effect on the Company's ability to access its Projects and therefore the Company's ability to carry out services.

Changes in policy, technological innovation and consumer or investor preferences could adversely impact the Company's business strategy, particularly in the event of a transition (which may occur in unpredictable ways) to a lower-carbon economy.

(n) **Occupational health and safety**

Site safety and occupational health and safety outcomes are a critical element in the reputation of the Company and its ability to retain and be awarded new contracts in the resources industry. While the Company has a strong commitment to achieving a safe performance on site a serious site safety incident could impact upon the reputation and financial outcomes for the Company.

Additionally, laws and regulations as well as the requirements of customers may become more complex and stringent or the subject of increasingly strict interpretation and/or enforcement. Failure to comply with applicable regulations or requirements may result in significant liabilities, to suspended operations and increased costs.

Industrial accidents may occur in relation to the performance of the Company's services. Such accidents, particularly where a fatality or serious injury occurs, or a series of such accidents occurs, may have operational and financial implications for the Company which may negatively impact on the financial performance and growth prospects for the Company.

(o) **Insurance**

The Company intends to continue to insure its operations in accordance with industry practice. In certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

(p) **Unforeseen expenses**

The Company's cost estimates and financial forecasts include appropriate provisions for material risks and uncertainties and are considered to be fit for purpose for the proposed activities of the Company. If risks and uncertainties prove to be greater than expected, or if new currently unforeseen material risks and uncertainties arise, the expenditure proposals of the Company are likely to be adversely affected.

## 4.3 General risks

### (a) Infectious diseases

The outbreak of coronavirus disease (COVID-19) is having a material effect on global economic markets. The global economic outlook is facing uncertainty due to the pandemic, which has had and may continue to have a significant impact on capital markets and share price.

The Company's share price may be adversely affected by the economic uncertainty caused by COVID-19. Further measures to limit the transmission of the virus implemented by governments around the world (such as travel bans and quarantining) may adversely impact the Company's operations. It could interrupt the Company carrying out its contractual obligations, cause disruptions to supply chains or interrupt the Company's ability to access capital.

### (b) General economic climate

Factors such as inflation, currency fluctuations, interest rates, legislative changes, political decisions and industrial disruption have an impact on operating costs. The Company's future income, asset values and share price can be affected by these factors and, in particular, by exchange rate movements.

### (c) Securities investments

Applicants should be aware that there are risks associated with any securities investment. The prices at which the Company's Shares trade may be above or below the issue price of the Offer and may fluctuate in response to a number of factors. Further, the stock market is prone to price and volume fluctuations. There can be no guarantee that trading prices will be sustained. These factors may materially affect the market price of the Shares, regardless of the Company's operational performance.

### (d) Government and legal risk

Changes in government, monetary policies, taxation and other laws can have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its Shares. Such changes are likely to be beyond the control of the Company and may affect industry profitability as well as the Company's capacity to explore and mine.

The Company is not aware of any reviews or changes that would affect its permits. However, changes in community attitudes on matters such as taxation, competition policy and environmental issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect the Company's development plans or its rights and obligations in respect of its permits. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations by the Company.

### (e) Litigation risks

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, 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. As at the date of this Prospectus, there are no material legal proceedings affecting the Company

and the Directors are not aware of any legal proceedings pending or threatened against or affecting the Company.

(f) **Force majeure**

Force majeure is a term used to refer to an event beyond the control of a party claiming that the event has occurred. Significant catastrophic events – such as war, acts of terrorism, pandemics, loss of power, cyber security breaches or global threats – or natural disasters – such as earthquakes, fire or floods or the outbreak of epidemic disease – could disrupt the Company's operations and interrupt critical functions, or otherwise harm the business. To the extent that such disruptions or uncertainties result in delays or cancellations of the deployment of the Company's products and solutions, its business, results of operations and financial condition could be harmed.

(g) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation point of view and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Shares under this Prospectus.

(h) **Unforeseen risk**

There may be other risks which the Directors are unaware of at the time of issuing this Prospectus which may impact on the Company, its operations and/or the valuation and performance of its Shares.

#### 4.4 **Investment speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

## 5. Additional Information

---

### 5.1 Rights and liabilities attaching to Shares

A summary of the rights attaching to Shares in the Company is below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

#### (a) General meeting and notices

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) Ranking of Shares

At the date of this Prospectus, all Shares are of the same class and rank equally in all respects. Specifically, the Shares issued pursuant to this Prospectus will rank equally with existing Shares.

#### (c) Voting rights

Subject to any rights or restrictions, at general meetings of Shareholders or classes of shareholders:

- (i) every Shareholder present and entitled to vote may vote in person or by attorney, proxy 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, has one vote for every fully paid Share held and a fraction of one vote for each partly paid up Share held, equal to the proportion which the amount paid up on that Share (excluding amounts credited) is to the total amounts paid up and payable (excluding amounts credited) on that Share.

#### (d) Dividend rights

Subject to the rights of the holders of any shares with special rights to dividends, the Directors may determine or 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 is of the total amounts paid and payable in respect of such Shares.

No dividend carries interest against the Company and the declaration of Directors as to the amount to be distributed is conclusive.

The Company must not pay a dividend unless the Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment

of the dividend. The Directors may capitalise any profits of the Company and distribute that capital to the Shareholders, in the same proportions as the Shareholders are entitled to a distribution by dividend.

(e) **Variation of rights**

If at any time the share capital is divided into different classes of shares, the rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares in that class.

(f) **Transfer of Shares**

Shares can be transferred upon delivery of a proper instrument of transfer to the Company or by a transfer in accordance with the ASX Settlement Operating Rules. The instrument of transfer must be in writing, in the approved form, and signed by the transferor and the transferee. Until the transferee has been registered, the transferor is deemed to remain the holder, even after signing the instrument of transfer.

In some circumstances, the Directors may refuse to register a transfer if upon registration the transferee will hold less than a marketable parcel. The Board may refuse to register a transfer of Shares upon which the Company has a lien. The Company must refuse to register a transfer of Shares where the Corporations Act, Listing Rules or ASX Settlement Operating Rules or a law about stamp duty requires the Company to do so.

(g) **Future increase in capital**

The issue of any Shares is under the control of the Board of the Company as appointed from time to time. Subject to restrictions on the issue or grant of Securities contained in the 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 and other Securities as they shall, in their absolute discretion, determine.

(h) **Rights on winding up**

If the Company is wound up, the liquidator may with the sanction of 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 the liquidator considers fair on 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.

(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.

## 5.2 **Joint Underwriting Agreement**

(a) **Joint Underwriting**

By an agreement between the Joint Underwriters and the Company (**Joint Underwriting Agreement**), the Joint Underwriters have agreed to underwrite the Offer.

The Joint Underwriters may, at their own cost (in consultation with the Company), at any time appoint sub-underwriters to sub-underwrite the Offer.

Further details in respect of the Joint Underwriting Agreement are set out in Sections 5.2(b) to 5.2(d) (inclusive).

(b) **Fees**

The Company has agreed to pay the Joint Underwriters (or their respective nominees) on completion of the Offer and on a 50/50 basis:

- (i) a management fee of 2% of the gross proceeds received from the Offer;
- (ii) an underwriting fee of 4% of the underwritten amount; and
- (iii) 50,000,000 Options exercisable at \$0.05 each and expiring on 1 May 2026 at a nominal issue price of \$0.00001 per Option (**Joint Underwriter Options**),

(collectively, the **Joint Underwriter Fee**).

In addition to the Joint Underwriting Fee, the Company has agreed to issue up to 145,606,233 Options exercisable at \$0.05 each and expiring on 1 May 2026 to be issued to any sub-underwriters appointed by the Joint Underwriters, on the basis of 1 Option for every 3 New Shares sub-underwritten (**Sub-Underwriting Options**). The issue of the Sub-Underwriting Options is subject to and conditional on the receipt of prior Shareholder approval.

All third party selling and/or sub-underwriting fees, excluding the issue of the Sub-Underwriting Options, are to be paid by the Joint Underwriters from the 4% underwriting fee detailed in Section 5.2(b)(ii).

(c) **Expenses and indemnity**

In addition to the fees, the Company will pay and will indemnify and keep indemnified the Joint Underwriters against and in relation to, all reasonable costs and expenses of and incidental to the Offer, including but not limited to:

- (i) the disbursements of Joint Underwriters (including legal fees up to \$20,000);
- (ii) any stamp duty, transfer taxes, withholding taxes or similar taxes (but excluding any income tax of the Joint Underwriters) payable in respect of the Offer;
- (iii) all costs of the Joint Underwriters in respect of any inquiry or review by ASX, ASIC or any Government Agency in relation to the Offer;
- (iv) accommodation and travelling expenses of the Joint Underwriters relating to the Offer; and
- (v) all marketing and promotional expenditure related to the Offer,

provided that the consent of the Company will be obtained prior to incurring any individual costs in excess of \$2,000.

The Joint Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Joint Underwriters that are considered standard for an agreement of this type.

(d) **Termination events**

The Joint Underwriters may terminate their obligations under the Joint Underwriting Agreement if:

- (i) **Indices fall:** as at the close of trading on three consecutive Business Days after the date of the Joint Underwriting Agreement, either of the All Ordinaries Index or the S&P/ASX 200 Index as published by ASX is at a level that is 10% or more below its respective level as at the close of trading on the Business Day prior to the date of the Joint Underwriting Agreement;
- (ii) **Listing:**
  - (A) the Company ceases to be admitted to the official list of ASX or the Company's Securities cease trading or are suspended from quotation on ASX;
  - (B) ASX makes any official statement to any person, or indicates to the Company or the Joint Underwriters that official quotation on ASX of the New Shares will not be granted; or
  - (C) approval is refused or approval is not granted which is unconditional (or conditional only on customary listing conditions which would not, in the reasonable opinion of the Joint Underwriters, have a material adverse effect on the success of the Offer), to the official quotation of the New Shares on ASX on or before the dates referred to in the Timetable, or if granted, the approval is subsequently withdrawn, qualified or withheld;
- (iii) **Restriction on allotment:** the Company is prevented from issuing the New Shares within the time required by the Joint Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority; or
- (iv) **Notifications:** any of the following notifications are made by ASIC in relation to the Offer or Offer Materials (defined in the Joint Underwriting Agreement):
  - (A) applies for an order under section 1324 or 1325, of the Corporations Act, or an order under Part 9.5 of the Corporations Act, in relation to the Offer or any Offer Materials;
  - (B) holds, or gives notice of intention to hold, a hearing or investigation in relation to the Offer or any Offer Materials under the Corporations Act or the *Australian Securities and Investments Commission Act 2001* (Cth);
  - (C) prosecutes or gives notice of an intention to prosecute; or
  - (D) commences proceedings against, or gives notice of an intention to commence proceedings against, the Company or any of its officers, employees or agents in relation to the Offer or any Offer Materials;
- (v) **Authorisation:** any authorisation which is material to anything referred to in the Offer or the Offer Materials is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Joint Underwriters (acting reasonably); or

- (vi) **Prosecution:** any of the following occur:
  - (A) a Director or senior manager is charged with an indictable offence;
  - (B) any Government Agency commences any public proceedings against the Company or any of the Directors in their capacity as a director of the Company, or announces that it intends to take such action;
  - (C) any Director is disqualified from managing a corporation under Part 2D.6 of the Corporations Act;
- (vii) **Fraud:** a Director or officer of the Company or the Company is charged in relation to fraudulent conduct, whether or not in connection with the Offer;
- (viii) **Insolvency:** an Event of Insolvency (defined in the Joint Underwriting Agreement) occurs in relation to the Company or a subsidiary of the Company;
- (ix) **Illegality:** there is an event or occurrence, including an official directive or request (including one compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any Government Agency which makes it illegal for the Joint Underwriters to satisfy an obligation under the Joint Underwriting Agreement, or to market, promote or settle the Offer;
- (x) **Certificate:** a certificate signed by two directors or a director and a secretary of the Company, in the form set out in the Joint Underwriting Agreement is not given by the Company at the time it is required to be given under the Joint Underwriting Agreement;
- (xi) **Termination Events:** unless, in the reasonable opinion of the Joint Underwriters reached in good faith, it has or is likely to have, or those events together have, or could reasonably be expected to have, a Material Adverse Effect (as defined in the Joint Underwriting Agreement) or could give rise to a liability of either of the Joint Underwriters under the Corporations Act, any of the following events occurs:
  - (A) **Default:** default or breach by the Company under the Joint Underwriting Agreement of any terms, condition, covenant or undertaking which is not remedied by the Company within 5 business days of notification by the Joint Underwriters;
  - (B) **Incorrect or untrue representation:** any representation, warranty or undertaking given by the Company in the Joint Underwriting Agreement is or becomes untrue or incorrect in material respect;
  - (C) **Contravention of constitution or applicable law:** a contravention by the Company or a subsidiary of the Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable law or any policy or requirement of ASIC or ASX or other Government Agency which is applicable to the Offer or the issue of the New Shares;
  - (D) **Adverse change:** an event occurs which gives rise to a Material Adverse Effect on the Company including, if any forecast disclosed to ASX prior to the date of the Joint Underwriting Agreement becomes incapable of being met or in the Joint Underwriters' reasonable opinion, unlikely to be met in the projected time;

- (E) **Public statements:** without the prior approval of the Joint Underwriters a public statement is made by the Company in relation to the Offer except where such statement is required by law or the Listing Rules;
- (F) **Timetable:** any event specified in this Joint Underwriting Agreement to occur before 21 July 2023 (**Shortfall Notification Date**) is delayed by more than one Business Day or an event specified in the Joint Underwriting Agreement (including the Timetable) to occur after the Shortfall Notification Date is delayed by more than one Business Day, in any such case, without the prior written consent of the Joint Underwriters;
- (G) **Misleading information:** any information supplied at any time by the Company or any person on its behalf to the Joint Underwriters in respect of any aspect of the Offer or the Issue or the affairs of the Company or any subsidiary of the Company, or any information in the Offer Materials is or becomes misleading or deceptive or likely to mislead or deceive (including by omission);
- (H) **Change in law or policy:** there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;
- (I) **Prescribed Occurrence:** an event specified in sections 652C(1) or (2) of the Corporations Act occurs, in relation to the Company or any subsidiary of the Company;
- (J) **Suspension of debt payments:** the Company suspends payment of its debts generally;
- (K) **Litigation:** litigation, arbitration, administrative or industrial proceedings are after the date of the Joint Underwriting Agreement commenced against the Company or any subsidiary of the Company, other than any Claims (as defined in the Joint Underwriting Agreement) disclosed to the Joint Underwriters or ASX in writing prior to the date of the Joint Underwriting Agreement;
- (L) **Change in shareholdings:** there is a material change in the major or controlling shareholdings of the Company or a subsidiary of the Company or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to the Company or a subsidiary of the Company;
- (M) **Force Majeure:** a Force Majeure (as defined in the Joint Underwriting Agreement) affecting the Company's business or any obligation under the Joint Underwriting Agreement lasting in excess of 7 days occurs;
- (N) **Certain resolutions passed:** the Company or a subsidiary of the Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Joint Underwriters;
- (O) **Market Conditions:** a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption

occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United States of America or the United Kingdom;

(P) **Hostilities:**

- (1) there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Joint Underwriting Agreement involving one or more of Australia, New Zealand, the United Kingdom, Hong Kong, or Singapore; or
- (2) a major terrorist attack is perpetrated on any of the countries described in paragraph 1 directly above. or any diplomatic, establishment of any of those countries anywhere in the world.

(Q) **Capital structure:** the Company or any subsidiary of the Company alters its capital structure in any manner not contemplated by the Offer, the Joint Underwriting Agreement or as announced to the ASX prior to the date of the Joint Underwriting Agreement; or

(R) **New circumstance:** a new obligation arises on the Company to give ASX a corrective statement, or a new circumstance arises which is a matter adverse to investors in New Shares and which would have been required by the Corporations Act to be included in the Offer Materials had the new circumstance arisen before the Offer Materials was given to ASX;

(S) **Investigation:** any Government Agency (including, without limitation, the Takeovers Panel) commences an investigation into the affairs of a member of the Company or any of its subsidiaries;

(T) **Application:** there is an application to a Government Agency (including, without limitation, the Takeovers Panel) for an order, declaration or other remedy in connection with the Offer (or any part of it), except where such application does not become public and is withdrawn or dismissed within two Business Days after it is commenced or where it is commenced less than two Business Days before completion of the Offer it has not been withdrawn or dismissed by completion of the Offer; or

(U) **changes to the Company** the Company:

- (1) varies any term of the Constitution;
- (2) alters the issued capital or capital structure of the Company other than in connection with the Offer or as envisaged by the Joint Underwriting Agreement or announced to the ASX prior to the date of the Joint Underwriting Agreement; or
- (3) disposes, attempts or agrees to dispose of a substantial part of the business or property of the Company (including any material subsidiary of the Company).

### 5.3 Director sub-underwriting agreements

The Joint Underwriters have entered into sub-underwriting agreements with each of the Directors, or entities associated with the Directors (together, the **Related Party Sub-Underwriters**) on the basis described below:

Director	Related Party Sub-Underwriter	Extent of the sub-underwriting		
		Commitment	New Shares	Sub-Underwriting Options
Klaus Eckhof	Klaus Eckhof	\$240,000	16,000,000	5,333,333
Phillip Coulson	Mr Phillip John Coulson & Mrs Maria Luisa Coulson <Coulson Family A/C>	\$700,000	46,666,667	15,555,556
Zane Lewis	Zane Lewis <RLZ A/C>	\$50,000	3,333,333	1,111,111
Mark Calderwood	Mark Calderwood	\$20,000	1,333,333	444,444
Peter Turner	Expert Geological Consulting Pty Ltd <Tribal Lines Family A/C>	\$20,000	1,333,333	444,444
<b>TOTAL</b>	-	<b>\$1,030,000</b>	<b>68,666,666</b>	<b>22,888,888</b>

The Related Party Sub-Underwriters will receive fees, commissions or other consideration comprised of:

- (a) a 1% cash fee payable in respect of the relevant sub-underwritten amount; and
- (b) 1 Sub-Underwriting Option for every 3 New Shares sub-underwritten. The issue of the Sub-Underwriting Options to be issued to the Directors (or their respective nominees) will be subject to, and conditional on, the receipt of Shareholder approval in accordance with Listing Rule 10.11. It is presently intended that this approval will be sought at the next general or annual general meeting of the Company.

If for any reason the Joint Underwriters terminate their obligations under the Joint Underwriting Agreement, the Related Party Sub-Underwriters' obligations will terminate immediately. The obligation of each of the Related Party Sub-Underwriters to sub-underwrite the Offer on the basis described above is not subject to any other events of termination.

### 5.4 Company is a disclosing entity

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters

as they arise for the purpose of ASX making the information available to the securities market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit review or report. Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 5.6 below). Copies of all documents announced to the ASX can be found at <https://www.kairosminerals.com.au/site/investor-centre/asx-announcements>.

## 5.5 Dividend Policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

## 5.6 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the Offer a copy of:

- (a) the Annual Report for the period ending 30 June 2022 lodged with ASX on 30 September 2022 (**Annual Financial Report**);
- (b) the Half Yearly Report for the period ending 31 December 2022 lodged with ASX on 15 March 2023; and
- (c) the continuous disclosure notices given by the Company to notify ASX of information relating to the Company during the period from the date the Company announced its Annual Report for the period ending 30 June 2022 to the market, being 30 September 2022, until the date of this Prospectus:

Date lodged	Subject of Announcement
26 June 2023	Proposed issue of Securities – KAI
26 June 2023	Proposed issue of Securities – KAI
26 June 2023	Proposed issue of Securities – KAI
26 June 2023	Proposed issue of Securities – KAI
26 June 2023	GL1: Manna Lithium Project Expansion of Regional Interests
26 June 2023	Global Lithium to take 10% Stake via A\$4M Share Placement
26 June 2023	Trading Halt
14 June 2023	New Lithium Prospects Defined At Roe Hills

Date lodged	Subject of Announcement
16 May 2023	Resource Rising Stars Conference Presentation
15 May 2023	Resource Increases to 1.6Moz and Remains Open
8 May 2023	Market Insights Summary Presentation in Sydney
28 April 2023	Quarterly Activities/Appendix 5B Cash Flow Report
14 April 2023	Kairos Commences Trading on the OTCQB Venture Market
13 April 2023	Blue Jay REE Anomaly at Roe Hills near Kalgoorlie
5 April 2023	Further Wide Intersections at Mt York Gold Project
4 April 2023	Roe Hills Lithium and Gold Exploration Update
22 March 2023	Response to ASX Price and Volume Query
15 March 2023	Appointment of Joint Company Secretary
15 March 2023	Half Yearly Report and Accounts
27 February 2023	Strong Drilling Results Extend Known Mineralisation
9 February 2023	Successful Extensional Drilling at the Mt York Gold Project
6 February 2023	Notification of cessation of securities - KAI
31 January 2023	Quarterly Activities/Appendix 5B Cash Flow Report
25 January 2023	Additional Lithium Targets and Exploration Update, Roe Hills
22 December 2022	Lucky Sump Drilling Results
22 November 2022	Constitution
22 November 2022	Results of Meeting
9 November 2022	Roe Hills Lithium Soil Anomalies
26 October 2022	Quarterly Activities/Appendix 5B Cash Flow Report
19 October 2022	Notice of Annual General Meeting/Proxy Form
14 October 2022	Mining 1-2-1 Presentation Sydney 12-13 October 2022
12 October 2022	Croydon gold and lithium soil anomalies
10 October 2022	Drilling Update at Mt York, Pilbara WA
30 September 2022	Corporate Governance Statement & Appendix 4G

Date lodged	Subject of Announcement
30 September 2022	Annual Report to shareholders

The following documents are available for inspection throughout the period of the Offer during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 0 and the consents provided by the Directors to the issue of this Prospectus.

## 5.7 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules other than as is set out in this Prospectus, however, the Company is currently considering its upcoming exploration activities and intends to provide a market update in this regard early in the new financial year.

## 5.8 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Shares under this Prospectus.

## 5.9 Interests of Directors

### (a) Information disclosed in this Prospectus

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

- (i) the formation or promotion of the Company;
- (ii) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offer; or
- (iii) the Offer,

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

- (iv) as an inducement to become, or to qualify as, a Director; or
- (v) for services provided in connection with the formation or promotion of the Company, or the Offer.

### (b) Security holding

The relevant interests of each of the Directors in Securities of the Company as at the date of this Prospectus are set out below.

Director	Shares	Voting power (%)	Options	Performance Rights	Entitlement (New Shares)
Klaus Eckhof <sup>(1)</sup>	27,500,000	1.26	39,350,00	Nil	5,500,000
Peter Turner <sup>(2)</sup>	Nil	N/A	Nil	25,000,000	Nil
Zane Lewis <sup>(3)</sup>	10,250,000	0.47	17,625,000	Nil	2,050,000
Phillip Coulson <sup>(4)</sup>	54,861,145	2.51	41,300,000	Nil	10,972,229
Mark Calderwood <sup>(5)</sup>	250,000	0.01	10,000,000	Nil	50,000

**Notes:**

1. Mr Eckhof's Securities are held directly.
2. Dr Turner's 25,000,000 Performance Rights are held directly.
3. Mr Lewis' Securities are held indirectly through Golden Triangle Pty Ltd (as trustee for the GT4 Account), an entity related to Mr Lewis.
4. Mr Coulson's Securities are held as follows:
  - (a) 54,861,145 Shares and 38,300,000 Options held indirectly through Troca Enterprises Pty Ltd (as trustee for the Coulson Superannuation Account), an entity related to Mr Phillip Coulson; and
  - (b) 3,000,000 Options held indirectly through Mr Phillip Coulson & Maria-Luisa Coulson (as trustees for the Coulson Family Trust).
5. Mr Calderwood's Securities are held as follows:
  - (a) 250,000 Shares held indirectly through Mr Calderwood (as trustee for the Mark Calderwood Family Account); and
  - (b) 10,000,000 Options held directly.

As at the date of this Prospectus, it is the intention of all Directors to take up all or part of their Entitlements.

The Joint Underwriters have entered into sub-underwriting agreements with each of the Directors, or entities associated with the Directors. Refer to Section 5.3 for details.

**(c) Remuneration**

The Constitution of the Company provides that the non-executive directors are entitled to be paid an amount of fees which does not in any year exceed in aggregate the amount last fixed by ordinary resolution. The aggregate amount fixed is \$350,000. This aggregate amount is to be allocated among the non-executive directors equally, having regard to the proportion of the relevant year for which each director held office, or as otherwise decided by the Board. The amount may also be provided in a manner the Board decides, which may include provision of non-cash benefits, in which case, the Board must also decide the manner in which the value of those benefits is to be calculated.

The Constitution also provides that:

- (i) the Directors shall be entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors; and
- (ii) if any of the Directors being willing are called upon to perform extra services or

make any special exertions on behalf of the Company or its business, the Directors may remunerate this Director in accordance with such services or exertions, and this remuneration may be either in addition to or in substitution for his or her share in the fee-pool described above.

The remuneration of executive directors is to be fixed by the Board. As at the date of this Prospectus, the Company has one executive director, Dr Peter Turner, who serves as the Company's Managing Director. The total annual base salary payable to Dr Turner is currently \$325,000 (excluding statutory superannuation). In addition, on 11 May 2023, as part of Dr Turner's total remuneration package, the Company issued Dr Turner 25,000,000 Performance Rights which vest into 25,000,000 Shares subject to the satisfaction of various milestones and otherwise on the terms and conditions set out in the Company's notice of meeting announced on 17 June 2022.

The table below sets out the remuneration provided to the Directors of the Company and their associated companies during the last two financial years (**FY**), inclusive of directors fees, consultancy fees, superannuation benefits and share-based payments.

Director	FY ended 30 June 2022 (\$)	FY ended 30 June 2021 (\$) <sup>1</sup>
Klaus Eckhof	444,183	Nil
Peter Turner	379,527	Nil
Zane Lewis	21,516	Nil
Phillip Coulson	31,516	Nil
Mark Calderwood	126,805	Nil

**Note:** The Directors were appointed to the Board as follows:

1. Mr Eckhof was appointed on 12 May 2022;
  2. Dr Turner was appointed on 23 May 2022;
  3. Mr Calderwood was appointed on 25 May 2022; and
  4. Mr Lewis was appointed on 23 March 2022,
- accordingly, none of the Directors received any remuneration for the FY ended 30 June 2021.

## 5.10 Related party transactions

Except as disclosed in this Prospectus, there are no related party transactions involved in the Offer.

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting, unless it is resolved by the Board of Directors that the Director can be present at the meeting but does not vote on the matter.

## 5.11 Interests of other persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Shares offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Shares offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Shares offered under this Prospectus.

## 5.12 Expenses of the Offer

The estimated expenses of the Offer are as follows:

Estimated expense	\$
ASIC lodgement fees	3,206
ASX quotation fees	17,500
Underwriting fees	393,000 <sup>1</sup>
Legal and preparation expenses	50,000
Printing, mailing and other expenses	15,000
<b>TOTAL</b>	<b>478,706</b>

**Note:**

1. Refer to Section 5.2(b) for additional details.

## 5.13 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Shares under this Prospectus), the Directors, any 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; and
- (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.

Hamilton Locke has given its written consent to being named as the Australian corporate solicitors to the Company in this Prospectus. Hamilton Locke has not withdrawn its consent prior to the lodgment of this Prospectus with ASIC.

Advanced Share Registry has given its written consent to being named as the share registry to the Company in this Prospectus. Advanced Share Registry has not withdrawn its consent prior to the lodgment of this Prospectus with ASIC.

Canaccord and Argonaut have given their written consent to being named as the joint underwriters to the Company in this Prospectus. Canaccord and Argonaut have not withdrawn their consent prior to the lodgment of this Prospectus with ASIC.

## 6. Directors' Statement and Consent

---

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:



Klaus Eckhof  
Non-Executive Chairman  
**Kairos Minerals Limited**  
Dated: 27 June 2023

## 7. Unaudited Pro Forma Statement of Financial Position

	Kairos						
	31-Dec-22	Subsequent events			Pro-forma	Pro-forma	Pro-forma
	\$	Expenditure to 31 May 2023	GL1 Placement	Expenses	Entitlement Offer	Expenses	
<b>CURRENT ASSETS</b>							
Cash and cash equivalents	2,624,853	- 2,085,149	3,960,000	- 12,834	6,552,280	- 478,706	10,560,444
Trade and other receivables	926,577	- 243,338					683,239
<b>TOTAL CURRENT ASSETS</b>	3,551,430	- 2,328,487	3,960,000	- 12,834	6,552,280	- 478,706	11,243,684
<b>NON-CURRENT ASSETS</b>							
Plant and equipment	312,753						312,753
Right Of use Assets	208,888						208,888
Capitalised Exploration Expenditure	26,323,593	1,270,234					27,593,827
<b>TOTAL NON-CURRENT ASSETS</b>	26,845,234	1,270,234	-	-	-	-	28,115,468
<b>TOTAL ASSETS</b>	30,396,664	- 1,058,253	3,960,000	- 12,834	6,552,280	- 478,706	39,359,151
<b>CURRENT LIABILITIES</b>							
Trade and other payables	1,314,402	- 960,612					353,790
Lease Liability	56,100						56,100
Provisions	43,819						43,819

<b>TOTAL CURRENT LIABILITIES</b>	1,414,321	- 960,612	-	-	-	-	453,709
<b>NON-CURRENT LIABILITIES</b>							
Lease Liability	168,473						168,473
Convertible notes	-						-
<b>TOTAL NON-CURRENT LIABILITIES</b>	168,473	-	-	-	-	-	168,473
<b>TOTAL LIABILITIES</b>	1,582,794	- 960,612	-	-	-	-	622,182
<b>NET ASSETS/(DEFICIENCY)</b>	<b>28,813,870</b>	<b>- 97,641</b>	<b>3,960,000</b>	<b>- 12,834</b>	<b>6,552,280</b>	<b>- 478,706</b>	<b>38,736,970</b>
<b>EQUITY</b>							
Issued capital	92,127,736		3,960,000	- 12,834	6,552,280	- 1,467,214	101,159,968
Performance Rights/ Option fair value reserve	7,150,575					1,056,715	8,207,290
Accumulated losses	- 69,667,840						- 69,667,840
P&L for the year	- 795,490	- 97,641				- 68,206	- 961,337
Non-Controlling Interest	- 1,111						- 1,111
<b>TOTAL EQUITY</b>	<b>28,813,870</b>	<b>- 97,641</b>	<b>3,960,000</b>	<b>- 12,834</b>	<b>6,552,280</b>	<b>- 478,706</b>	<b>38,736,969</b>

## 8. Glossary

---

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

<b>\$</b>	means Australian dollars.
<b>Advanced Share Registry</b>	means Advanced Share Registry Ltd (ACN 127 175 946).
<b>Applicant</b>	means a person who submits an Application Form.
<b>Application Form</b>	means the application form provided with a copy of this Prospectus.
<b>Application Monies</b>	means application monies for Shares received by the Company.
<b>Argonaut</b>	means Argonaut Securities Pty Limited (ACN 108 330 650).
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	means ASX Limited (ACN 008 624 691) and where the context permits the Australian Securities Exchange operated by ASX Limited.
<b>AWST</b>	means Australian Western Standard Time, being the time in Perth, Western Australia.
<b>Board</b>	means the Directors meeting as a board.
<b>Business Day</b>	means Monday to Friday inclusive, other than a day that ASX declares is not a business day.
<b>Canaccord</b>	Canaccord Genuity (Australia) Limited (ACN 075 071 466).
<b>CHESS</b>	means ASX Clearing House Electronic Subregistry System.
<b>Closing Date</b>	has the meaning given to it in the Proposed Timetable.
<b>Company or Kairos Minerals</b>	means Kairos Minerals Limited (ACN 006 189 331) (ASX:KAI).
<b>Constitution</b>	means the constitution of the Company as at the date of this Prospectus.
<b>Cornerstone Participation and Collaboration Deed</b>	means the cornerstone participation and collaboration deed between the Company and GL1 dated 25 June 2023 and announced on 26 June 2023.
<b>Corporations Act</b>	means <i>Corporations Act 2001</i> (Cth).
<b>Directors</b>	mean the directors of the Company as at the date of this Prospectus.

<b>Eligible Shareholder</b>	means a person registered as the holder of Shares as at the Record Date whose registered address is in Australia, New Zealand, Monaco, the United Kingdom and Singapore.
<b>Entitlement</b>	means the number of New Shares for which an Eligible Shareholder is entitled to subscribe under the Offer, being 1 New Share for every 5 Shares held on the Record Date.
<b>GL1</b>	means Global Lithium Resources Limited (ACN 626 093 150).
<b>GL1 Subscription Shares</b>	means the 220,000,000 Shares to be issued to GL1 (or its nominee) on or around Friday, 30 June 2023 pursuant to the Cornerstone Participation and Collaboration Deed.
<b>Government Agency</b>	means any government or any government department, governmental, semi-governmental, administrative, fiscal, judicial, investigative, review or regulatory body, department, commission, authority, tribunal, agency, stock exchange or entity in any jurisdiction relevant to the Offer, including ASX and ASIC.
<b>Ineligible Foreign Shareholder</b>	means a person registered as the holder of Shares on the Record Date who is not an Eligible Shareholder.
<b>Issuer Sponsored</b>	means Shares issued by an issuer that are held in uncertified form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.
<b>Joint Underwriter Fee</b>	has the meaning given in Section 5.2(b)
<b>Joint Underwriter Options</b>	has the meaning given in Section 5.2(b).
<b>Joint Underwriters</b>	means Canaccord and Argonaut.
<b>Joint Underwriting Agreement</b>	has the meaning given in Section 5.2(a).
<b>JORC Code</b>	means the 2012 Edition of the Joint Ore Reserves Committee Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.
<b>Listing Rules</b>	means the listing rules of ASX.
<b>New Shares</b>	means the Shares offered pursuant to this Prospectus.
<b>Offer</b>	means the offer under this Prospectus of up to approximately 436,818,698 New Shares in the proportion of 1 New Share for every 5 Shares held on the Record Date.
<b>Option</b>	means an option to acquire a Share.
<b>Prospectus</b>	means this prospectus dated 27 June 2023.
<b>Record Date</b>	means 5:00pm (AWST) on the date identified in the Timetable.

<b>Related Party Sub-Underwriters</b>	has the meaning given in Section 5.3.
<b>Section</b>	means a section of this Prospectus.
<b>Securities</b>	means Shares and/or Options.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means a holder of Shares.
<b>Sub-Underwriting Options</b>	has the meaning given in Section 5.2(b).
<b>Tenements</b>	means the tenements owned by the Company from time to time.
<b>Timetable</b>	means the proposed timetable for the Offer set out on page iii of this Prospectus.