



Options Prospectus

Kairos Minerals Limited
(ACN 006 189 331)

This Prospectus is being issued for the offer of up to 145,606,233 Sub-Underwriter Options to the Sub-Underwriters (or their respective nominees) (the **Offer**).

ASX Code

KAI

Important Notice

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.

An investment in the Sub-Underwriter Options offered in connection with this Prospectus should be considered of a speculative nature.

Table of contents

1.	<i>Background to the Offer</i>	8
2.	<i>Effect of the Offer</i>	12
3.	<i>Risk factors</i>	14
4.	<i>Rights attaching to Securities</i>	23
5.	<i>Additional information</i>	27
6.	<i>Directors' statement and consent</i>	32
7.	<i>Definitions</i>	33

Important information

General

This Prospectus is issued by Kairos Minerals Limited (ACN 006 189 331) (**Company**) for the purposes of Chapter 6D of the Corporations Act. This Prospectus is dated 30 October 2023 and was lodged with the 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 Sub-Underwriter Options 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).

The Sub-Underwriter Options offered by this Prospectus should be considered speculative. Please refer to Section 3 for details relating to investment risks.

A copy of this Prospectus is available for inspection at the registered office of the Company at Suite 12, Level 1, 100 Railway Road, Daglish, WA 6008, during normal business hours. The Prospectus will also be made available in electronic form. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus (free of charge) from the Company's registered office by contacting the Company. The Offer contemplated by this Prospectus is only available in electronic form to persons receiving an electronic version of this Prospectus within Australia.

The Company will also provide copies of other documents on request free of charge (see Section 5.2).

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

No person is authorised to give any information or to make any representation in

connection with the Offer in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company or the Directors in connection with the Offer.

No investment advice

The information in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. It is important that you read this Prospectus in its entirety and seek professional advice where necessary.

This document is important and should be read in its entirety before deciding to participate in the Offer.

Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult his/her stockbroker, solicitor, accountant or other professional adviser without delay.

Disclosing entity

As a disclosing entity, the Company has issued this Prospectus in accordance with section 713 of the Corporations Act applicable to prospectuses for an offer of options to acquire securities which are quoted enhanced disclosure securities and the securities are in a class of securities that were quoted enhanced disclosure securities at all times in the three months before the issue of this Prospectus.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to the ASX and does not include all the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision about whether to invest.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the requirements of the ASX as applicable to disclosing entities from time to time, and which require the Company to notify ASIC of

information available to the stock market conducted by the ASX, throughout the three months before the issue of this Prospectus.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

Overseas Shareholders

The Offer constituted by this Prospectus in electronic form is only available to persons receiving an electronic version of this Prospectus and accompanying Application Form within Australia.

No action has been taken to permit the offer of Sub-Underwriter Options under this Prospectus in any jurisdiction other than Australia.

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

This Prospectus does not constitute an offer of Sub-Underwriter Options in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

Target Market Determination

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

Forward-looking statements

This Prospectus includes forward looking statements that have been based on current

expectations about future acts, events and circumstances. These forward looking statements are, however, 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. 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.

Definitions, time and currency

Definitions of certain terms used in this Prospectus are contained in Section 7.

All references to currency are to Australian dollars and all references to time are to AWST, unless otherwise indicated.

Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed.

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 Andrew
Robbie Featherby

Registered Office

Suite 12, Level 1, 100 Railway Road
Daglish, WA 6008

Telephone: +61 8 6380 1904

Email: info@kairosminerals.com.au

Website: www.kairosminerals.com.au

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

Auditor*

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

Solicitors

Hamilton Locke
Central Park Building
Level 48, 152 – 158 St Georges Terrace
Perth WA 6000

ASX Code: KAI

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

Indicative timetable

Event	Date
Lodgement of Prospectus with ASIC and ASX Opening Date of Offer	Monday, 30 October 2023
Closing Date of Offer	Thursday, 2 November 2023
Anticipated date of issue of the Sub-Underwriter Options Lodgement of Appendix 3G with ASX	Friday, 3 November 2023

Note: *The above dates are indicative only and may change without notice. The Company reserves the right to vary any and all of the above dates without notice, subject to the Corporations Act, Listing Rules and other applicable laws. In particular, the Company reserves the right to vary the Opening Date and the Closing Date without prior notice, which may have a consequential effect on the other dates. Applicants are therefore encouraged to lodge their Application Form as soon as possible after the Opening Date if they wish to invest in the Company. The Company also reserves the right not to proceed with the Offer at any time before the issue of Sub-Underwriter Options.*

Key details of the Offer

Size	A maximum of 145,606,233 Sub-Underwriter Options
Issue price	Nil.
Eligibility to participate in the Offer	The Offer is open to the Sub-Underwriters (or their respective nominees) only. The Sub-Underwriters (or their respective nominees) will be entitled to apply for Sub-Underwriter Options under the Offer.

Capital structure

Indicative capital structure	
Securities on issue as at the Prospectus Date	
Shares	2,620,912,189
Options ⁽¹⁾	208,000,000
Performance Rights ⁽²⁾	25,000,000
Securities on issue on completion of the Offer ⁴	
Shares	2,620,912,189
Options ⁽³⁾	353,606,233
Performance Rights	25,000,000

Notes:

- 208,000,000 unquoted Options comprising:
 - 12,000,000 Options exercisable at \$0.05 each and expiring on 1 May 2025; and
 - 196,000,000 Options exercisable at \$0.05 each and expiring on 1 May 2026.
- 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.
- See Section 4.2 for the terms and conditions of the Sub-Underwriter Options.
- Assumes that the Offer is fully subscribed, and no further Securities are issued.

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 Sub-Underwriter Options.

Key Information	Further Information
<p>Transaction specific prospectus</p> <p>This Prospectus is a transaction specific prospectus for an offer of options to acquire 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>	-
<p>What is the Offer being made under the Prospectus?</p> <p>By this Prospectus, the Company is offering up to 145,606,233 Sub-Underwriter Options to the Sub-Underwriters (or their respective nominees) (Offer).</p> <p>The Company received Shareholder approval at the General Meeting for the issue of the Sub-Underwriter Options.</p>	Section 1.1
<p>What is the purpose of this Prospectus?</p> <p>The primary purpose of this Prospectus is to:</p> <ul style="list-style-type: none"> • make the offer of Sub-Underwriter Options under the Offer; and • ensure that the on-sale of the Shares issued on conversion of the Sub-Underwriter Options do not breach section 707(3) of the Corporations Act. 	Section 1.3
<p>What is the intended use of funds from the Offer?</p> <p>No funds will be raised from the issue of the Sub-Underwriter Options pursuant to this Prospectus. The Sub-Underwriter Options are being issued to the Sub-Underwriters (or their respective nominees) as partial consideration for the provision sub-underwriting services in connection with the Entitlement Offer.</p>	Section 2.2
<p>Who is eligible to subscribe under the Offer?</p> <p>The Offer is open to the Sub-Underwriters (or their respective nominees). Only the Sub-Underwriters (or their respective nominees) may apply for Sub-Underwriter Options under the Offer.</p>	Section 1.1
<p>What are the terms of the Sub-Underwriter Options?</p> <p>The Sub-Underwriter Options will be exercisable at \$0.05 each and will expire at 5.00pm (AWST) on 1 May 2026.</p> <p>The full terms of the Sub-Underwriter Options are set out in Section 4.2.</p>	Section 4.2
<p>Is the Offer underwritten?</p> <p>The Offer is not underwritten.</p>	Section 1.6

Key Information	Further Information																		
<p>What is the effect of the Offer?</p> <p>The effect of the Offer on the capital structure is set out below (assuming no other Securities are issued and no other existing Securities are exercised):</p> <table border="1" data-bbox="225 439 1238 1025"> <thead> <tr> <th colspan="2" data-bbox="225 439 1238 495">Indicative capital structure</th> </tr> <tr> <th colspan="2" data-bbox="225 495 1238 555">Securities on issue as at the Prospectus Date</th> </tr> </thead> <tbody> <tr> <td data-bbox="225 555 641 622">Shares</td> <td data-bbox="641 555 1238 622">2,620,912,189</td> </tr> <tr> <td data-bbox="225 622 641 689">Options</td> <td data-bbox="641 622 1238 689">208,000,000</td> </tr> <tr> <td data-bbox="225 689 641 757">Performance Rights</td> <td data-bbox="641 689 1238 757">25,000,000</td> </tr> <tr> <th colspan="2" data-bbox="225 757 1238 817">Securities on issue on completion of the Offer</th> </tr> <tr> <td data-bbox="225 817 641 884">Shares</td> <td data-bbox="641 817 1238 884">2,620,912,189</td> </tr> <tr> <td data-bbox="225 884 641 952">Options</td> <td data-bbox="641 884 1238 952">353,606,233</td> </tr> <tr> <td data-bbox="225 952 641 1019">Performance Rights</td> <td data-bbox="641 952 1238 1019">25,000,000</td> </tr> </tbody> </table> <p>It is not expected that the Offer will have any effect on the control of the Company.</p> <p>The Company does not consider that the Offer will have a material effect on the financial position of the Company. The expenses of the Offer will be met from the Company's existing cash reserves. The Offer will have an effect on the Company's financial position of reducing the cash balance by approximately \$13,206. Please refer to Section 5.10 for further details on the estimated expenses of the Offer.</p>	Indicative capital structure		Securities on issue as at the Prospectus Date		Shares	2,620,912,189	Options	208,000,000	Performance Rights	25,000,000	Securities on issue on completion of the Offer		Shares	2,620,912,189	Options	353,606,233	Performance Rights	25,000,000	<p>Section 2</p>
Indicative capital structure																			
Securities on issue as at the Prospectus Date																			
Shares	2,620,912,189																		
Options	208,000,000																		
Performance Rights	25,000,000																		
Securities on issue on completion of the Offer																			
Shares	2,620,912,189																		
Options	353,606,233																		
Performance Rights	25,000,000																		
<p>What are the risks of a further investment in the Company?</p> <p>Potential investors should be aware that subscribing for Sub-Underwriter Options in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 3, including (but not limited to) risks in respect of:</p> <ul style="list-style-type: none"> • 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 should be adequate to fund its business development activities, exploration program and other Company objectives in the short term. However, the Company will require additional funding in the future in order to fund its business development activities, exploration program and other Company objectives. • Resource risk: 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 	<p>Section 3</p>																		

Key Information	Further Information
<p>with actual mining performance against any mineral resource or ore reserve estimate.</p> <ul style="list-style-type: none"> • Exploration and development risks: 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. • 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. • Environmental risk: 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. 	
<p>Forward looking statements</p> <p>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.</p> <p>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.</p> <p>Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important</p>	<p>Section 3</p>

Key Information	Further Information
<p>factors, many of which are beyond the control of the Company, the Directors and the management.</p> <p>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.</p> <p>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.</p> <p>These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 3.</p>	

1. Background to the Offer

1.1 Background

On 26 June 2023, the Company announced a fully underwritten pro rata non-renounceable entitlement offer to up to \$6,552,280 (before costs) on the basis of one Share for every five Shares held by eligible Shareholders as at 5 July 2023 (**Entitlement Offer**).

Pursuant to an underwriting agreement with Canaccord Genuity (Australia) Limited and Argonaut Securities Pty Ltd (together, the **Joint Underwriters**), the Joint Underwriters agreed to provide joint lead manager and joint underwriter services in connection with the Entitlement Offer.

As part consideration for the provision of joint underwriter services provided by the Joint Underwriters in connection with the Entitlement Offer, the Company agreed to issue up to 145,606,233 Options exercisable at \$0.05 each and expiring at 5.00pm (AWST) on 1 May 2026 (**Sub-Underwriter Options**) to various sub-underwriters appointed by the Joint Underwriters, on the basis of one Sub-Underwriter Option for every 3 new Shares sub-underwritten, comprising up to:

- (a) 122,717,345 Sub-Underwriter Options to various unrelated parties of the Company; and
- (b) 22,888,888 Sub-Underwriter Options to the Directors (or their respective nominees), (together, the **Sub-Underwriters**).

The Company received Shareholder approval for the issue of the Sub-Underwriter Options at a general meeting convened on 13 October 2023 (**General Meeting**). The Company expects the issue of the Sub-Underwriter Options to occur on or around 3 November 2023.

1.2 The Offer

The Company is offering pursuant to this Prospectus a maximum of 145,606,233 Sub-Underwriter Options to the Sub-Underwriters (or their respective nominees) as part consideration for the provision of sub-underwriting services provided to the Company in connection with the Entitlement Offer (**Offer**).

Only the Sub-Underwriters (or their respective nominees) may participate in the Offer. The Offer is not open to the general public.

The Sub-Underwriter Options are subject to the terms and conditions set out in Section 4.2.

Shares issued on exercise of the Sub-Underwriter Options will rank equally with the Shares on issue at the Prospectus Date. Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to the Shares.

1.3 Purpose of this Prospectus

Section 707(3) of the Corporations Act generally requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months of the date of their issue.

This Prospectus has also been issued to facilitate secondary trading of the Shares to be issued upon exercise of the Sub-Underwriter Options to be issued under the Offer. Issuing the Sub-Underwriter Options under this Prospectus will enable persons who are issued the Sub-Underwriter Options to on-sell the Shares issued on exercise of the Sub-Underwriter Options pursuant to *ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80*.

Accordingly, the primary purpose of this Prospectus is to:

- (a) make the offer of Sub-Underwriter Options under the Offer; and
- (b) ensure that the on-sale of the Shares issued on conversion of the Sub-Underwriter Options do not breach section 707(3) of the Corporations Act.

1.4 Opening and Closing Date

As set out in the Timetable, the Offer will open on 30 October 2023 (**Opening Date**) and are anticipated to close at 5.00pm (AWST) on 2 November 2023 (**Closing Date**).

The above dates are indicative only and subject to change without notice. The Company may vary these dates, including to close the Offer early, extend the Closing Date or to withdraw the Offer at any time prior to issue of the Sub-Underwriter Options. If any of the dates are changed, subsequent dates may also change. You are encouraged to lodge your Application Form as soon as possible after the Opening Date.

The Company will accept Application Forms for the Offer from the Opening Date until 5.00pm (AWST) on the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules and the Corporations Act.

1.5 Minimum subscription

There is no minimum subscription under the Offer.

1.6 No underwriting

The Offer is not underwritten.

1.7 Application Forms

Applications must be made using the Application Form attached to or made available with a copy of this Prospectus. The Application Form must be completed in accordance with the instructions set out on the form. To the maximum extent permitted by law, the Directors will have discretion over which Applications to accept.

Completed Application Forms must be received by the Company prior to the Closing Date. Application Forms should be delivered in accordance with the instructions contained in the Application Form.

If you are in doubt as to the course of action, you should consult your professional advisor.

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Sub-Underwriter Options accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of Sub-Underwriter Options under the Offer. If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Application Form, is final.

By completing and returning an Application Form, Applicants will be deemed to have represented and warranted on behalf of themselves or each person on whose account they are acting, that the law in their place of residence and/or where they have been given the Prospectus does not prohibit them from being given the Prospectus and that they:

- (a) agree to be bound by the terms of the Offer;
- (b) declare that all details and statements in the Application Form are complete and accurate;
- (c) declare that they are over 18 years of age and have full legal capacity and power to perform all their rights and obligations under the Application Form;

- (d) authorise the Company and its respective officers or agents, to do anything on their behalf necessary for the Sub-Underwriter Options to be issued to them, including to act on instructions of the Company's Share Registry upon using the contact details set out in the Application Form;
- (e) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Sub-Underwriter Options are suitable for them given their investment objectives, financial situation or particular needs; and
- (f) acknowledge that the Sub-Underwriter Options have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia.

1.8 Issue date and dispatch

All Sub-Underwriter Options are expected to be issued on or before the date specified in the proposed timetable in this Prospectus.

Security holder statements will be dispatched in accordance with the Listing Rules and as soon as practicable after the issue of the Sub-Underwriter Options.

1.9 ASX quotation

The Company will not apply to ASX for quotation of the Sub-Underwriter Options offered under this Prospectus. ASX takes no responsibility for the contents of this Prospectus.

1.10 CHES

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

Under CHES, Shareholders will not receive a certificate but will receive a statement of their holding of Securities.

If you elect to hold your Securities on the CHES sub-register, ASX Settlement Pty Limited will send you a CHES statement.

If you elect to hold your Securities on the Issuer Sponsored sub-register, your statement will be despatched by the Share Registry.

The statements will set out the number of existing Securities held (where applicable) and the number of Bonus Options allotted under this Prospectus and provide details of a Shareholder's holder identification number (for Shareholders who elect to hold Securities on the CHES sub-register) or Shareholder reference number (for Shareholders who elect to hold their Securities on the Issuer Sponsored sub-register).

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

1.11 Residents outside Australia

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

This Prospectus, and any accompanying Application Form, do not, and is not intended to, constitute an offer of Sub-Underwriter Options in any jurisdiction in which it would be unlawful. In particular, this Prospectus, and any accompanying Application Form, may not be

distributed to any person, and the Sub-Underwriter Options may not be offered or sold, in any country outside Australia.

1.12 Taxation implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Sub-Underwriter Options.

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 Sub-Underwriter Options.

1.13 Major activities and financial information

A summary of the activities and financial information relating to the Company for the financial year ended 30 June 2023 can be found in the Company's Annual Financial Report lodged with ASX on 29 September 2023.

The Company's continuous disclosure notices (i.e. ASX announcements) since 29 September 2023 are listed in Section 5.2.

Copies of these documents are available free of charge from the Company. Directors strongly recommend that potential Applicants review these and all other announcements prior to deciding whether or not to participate in the Offer.

1.14 Privacy

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the application and, if the application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form 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 on the Application Form, the Company may not be able to accept or process your application.

An Applicant has an entitlement to gain access to, correct and update 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.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Australian Privacy Principles, the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

1.15 Enquiries concerning this Prospectus

For enquiries relating to this Prospectus and general shareholder enquiries, please contact the Company via the Company's contract details contained in the Corporate Directory.

2. Effect of the Offer

2.1 Capital structure on completion of the Offer

The principal effect of the Offer, assuming all Sub-Underwriter Options offered under this Prospectus are issued, will be to increase the number of Options currently on issue by a maximum of 145,606,233 Options.

Assuming that no further Shares are issued and none of the existing Options are exercised, the effect of the Offer on the Company's issued capital as at the Prospectus Date is as shown in the following table.

Indicative capital structure	
Securities on issue as at the Prospectus Date	
Shares	2,620,912,189
Options ⁽¹⁾	208,000,000
Performance Rights ⁽²⁾	25,000,000
Securities on issue on completion of the Offer ⁴	
Shares	2,620,912,189
Options ⁽³⁾	353,606,233
Performance Rights	25,000,000

Notes:

- 208,000,000 unquoted Options comprising:
 - 12,000,000 Options exercisable at \$0.05 each and expiring on 1 May 2025; and
 - 196,000,000 Options exercisable at \$0.05 each and expiring on 1 May 2026.
- 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.
- See Section 4.2 for the terms and conditions of the Sub-Underwriter Options.
- Assumes that the Offer is fully subscribed, and no further Securities are issued.

2.2 Proposed use of funds

No funds will be raised from the issue of the Sub-Underwriter Options pursuant to this Prospectus as the Sub-Underwriter Options are being issued to the Sub-Underwriters (or their respective nominees) as partial consideration for the provision sub-underwriting services in connection with the Entitlement Offer.

The Company will receive \$0.05 for each Sub-Underwriter Option exercised. If all Sub-Underwriter Options are issued and exercised, the Company will receive approximately \$7,280,312 (before costs). There is no certainty that any of the Sub-Underwriter Option will be exercised.

It is currently intended that funds raised from the exercise of the Sub-Underwriter Options will be applied towards exploration and drilling of the Company's projects and general working capital.

The above is a statement of current intentions at the Prospectus Date. 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 application of any funds from the exercise of Sub-Underwriter Options will depend on when Sub-Underwriter Options are exercised and the status of the Company's projects and requirements at the relevant time.

2.3 Effect on control of the Company

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. No investor or existing Shareholder will have a voting power greater than 20% as a result of the completion of the Offer.

The maximum number of Sub-Underwriter Options proposed to be issued under the Offer is 145,606,233. If all of these Sub-Underwriter Options are exercised, the Shares issued on exercise will constitute approximately 5.26% of the Shares on issue following completion of the Offer (assuming the Offer is fully subscribed and no further Shares are issued).

2.4 Substantial Shareholders

Based on available information as at the date of this Prospectus, the only person, together with their associates, who has a voting power in 5% or more of the Shares on issue is Global Lithium Resources Limited (ASX:GL1) with a holding of 264,000,000 Shares and a voting power of 10.07%.

2.5 Financial effect of the Offer

The Company does not consider that the Offer will have a material effect on the financial position of the Company.

If all Sub-Underwriter Options are issued and exercised (which is not certain), it would have the effect on the Company's financial position of increasing the cash balance by approximately \$7,280,312 (before costs).

The expenses of the Offer will be met from the Company's existing cash reserves. The Offer will have an effect on the Company's financial position of reducing the cash balance by approximately \$13,206. Please refer to Section 5.10 for further details on the estimated expenses of the Offer.

3. Risk factors

An investment in Sub-Underwriter Options offered by this Prospectus should be regarded as speculative. Activities in the Company, as in any business, are subject to risks which may impact on the Company's future performance. The Company has 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 prospective investors need to be aware of in evaluating the Company's business and the risks of investing in the Company. Prospective investors should carefully consider the following factors in addition to the other information presented in the Prospectus.

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

3.1 Risks specific to the Company

(a) Limited operational history

The Company is currently loss making (having incurred net losses in each year since inception) and will require further financing in the future. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the current market 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.

(b) 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.

(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. Should the Company require additional funding, there can be no assurance that additional financing will be available on acceptable terms or at all. Any inability to obtain additional financing, if required, would have a material adverse effect on the Company's business, financial condition and results of operations.

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 on exercise of any Sub-Underwriter Options. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market 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.

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) **Current 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.

3.2 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 risks 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.

(b) **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.

(k) **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.

(l) **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.

(m) **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.

(n) **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.

(o) **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.

3.3 **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 Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring 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 Securities 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.

3.4 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 its Securities. Investors should consider that the investment in the Company is high risk and should consult their professional adviser before deciding whether to apply for Sub-Underwriter Options pursuant to this Prospectus.

4. Rights attaching to Securities

4.1 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 issue of Shares on exercise of Sub-Underwriter Options 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.

4.2 Terms and conditions of Sub-Underwriter Options

The Sub-Underwriter Options granted under the Offer (referred to as “**Options**” for the purpose of this Section 4.2) will be issued on the following terms and conditions:

- (a) **(Entitlement)** Each Option gives the holder the right to subscribe for one Share.
- (b) **(Expiry Date):** The Options will expire at 5:00pm (AWST) on 1 May 2026 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date .
- (c) **(Exercise Price)** The amount payable upon exercise of each Option is \$0.05 per Option (**Exercise Price**).
- (d) **(Exercise)** A holder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) an electronic funds transfer for the Exercise Price for the number of Options being exercised.
- (e) **(Exercise Notice)** An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds. The Options held by each holder may be exercised in whole or in part, and if exercised in part, at least 500,000 must be exercised on each occasion.
- (f) **(Timing of issue of Shares on exercise)** Within 5 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will:
 - (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (ii) if required, and subject to paragraph (g), give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
- (g) **(Restrictions on transfer of Shares):** If the Company is required but unable to give ASX a notice under paragraph 4.2(f)(ii), or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, Shares issued on exercise of Options may not be traded and will be subject to a holding lock until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.
- (h) **(Transferability)** The Options are transferable with the prior written consent of the Company (which may be withheld at the Company's sole discretion).
- (i) **(Ranking of Shares)** All Shares allotted upon the exercise of Options will upon allotment be fully paid and rank equally in all respects with other Shares.
- (j) **(Quotation)** The Company will not apply for quotation of the Options on ASX.
- (k) **(Adjustments for reorganisation)** If there is any reorganisation of the issued share capital of the Company, the rights of the holders of Options will be varied in accordance with the Listing Rules.
- (l) **(Dividend rights)** An Option does not entitle the holder to any dividends.

- (m) **(Voting rights)** An Option does not entitle the holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights provided under the Corporations Act or the Listing Rules where such rights cannot be excluded by these terms.
- (n) **(Entitlements and bonus issues)** Holders of Options will not be entitled to participate in new issues of capital offered to shareholders such as bonus issues and entitlement issues.
- (o) **(Adjustment for bonus issues of Shares)** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the holder of Options would have received if the holder had exercised the Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.
- (p) **(Return of capital rights)** The Options do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (q) **(Rights on winding up)** The Options have no right to participate in the surplus profits or assets of the Company upon a winding up of the Company.
- (r) **(Takeovers prohibition)**
 - (i) the issue of Shares on exercise of the Options is subject to and conditional upon the issue of the relevant Shares not resulting in any person being in breach of section 606(1) of the Corporations Act; and
 - (ii) the Company will not be required to seek the approval of its members for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of any Shares on exercise of the Options.
- (s) **(No other rights)** An Option does not give a holder any rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

5. Additional information

5.1 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 report or review. Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 5.2 below). Copies of all documents announced to the ASX can be found at the Company's website <https://www.kairosminerals.com.au/site/investor-centre/asx-announcements>).

5.2 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 financial statements of the Company for the financial year ended 30 June 2023 as lodged with ASX on 29 September 2023 (**Annual Report**), being the last financial statements for a financial year of the Company lodged with ASIC before the issue of this Prospectus;
- (b) the following notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Annual Report referred to in paragraph (a) above, until the date of this Prospectus:

Date lodged	Subject of Announcement
30 October 2023	Roe Hills Drilling Update and REE Discovery
23 October 2023	Quarterly Activities/Appendix 5B Cash Flow Report
13 October 2023	Results of Meeting
6 October 2023	Letter to Shareholders
6 October 2023	Notice of Annual General Meeting/Proxy Form
2 October 2023	Notification of cessation of securities - KAI
29 September 2023	Appendix 4G and Corporate Governance Statement
29 September 2023	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 5.11 and the consents provided by the Directors to the issue of this Prospectus.

5.3 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.

5.4 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 Sub-Underwriter Options under this Prospectus.

5.5 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 the Offer, and the respective dates of those sales were:

Lowest:	\$0.019 on 25 October 2023
Highest:	\$0.032 on 10 July 2023

The latest available market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was \$0.02 per Share on 27 October 2023.

5.6 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.

5.7 Interests of Directors

(a) Security holdings

The relevant interest of each of the Directors (together with their associates) in Securities as at the date of this Prospectus is set out below:

Director	Shares	Voting power ⁵	Options	Performance Rights	Sub-Underwriter Options ⁶
Klaus Eckhof ⁽¹⁾	40,625,312	1.55	33,600,000	Nil	5,333,333
Peter Turner ⁽²⁾	635,443	0.02	Nil	25,000,000	444,444
Zane Lewis ⁽³⁾	13,888,607	0.53	17,625,000	Nil	1,111,111
Phillip Coulson ⁽⁴⁾	88,073,867	3.36	38,600,000	Nil	15,555,556
Mark Calderwood ⁽⁵⁾	885,443	0.03	10,000,000	Nil	444,444

Notes:

1. Mr Eckhof's Securities are held directly.
2. Mr Turner's Securities are held as follows:
 - (a) 635,443 Shares held indirectly by Expert Geological Consulting Pty Ltd (as trustee for the Tribal Lines Family Trust), an entity related to Mr Turner; and

- (b) 25,000,000 Performance Rights held directly.
- 3. Mr Lewis' Securities are held indirectly as follows:
 - (a) 12,300,000 Shares and 17,625,000 unquoted Options held by Golden Triangle Pty Ltd (as trustee for the GT4 Account), an entity related to Mr Lewis; and
 - (b) 1,588,607 Shares held by Mr Lewis (as trustee for RLZ Account);
- 4. Mr Coulson's Securities are held indirectly 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);
 - (b) 635,443 Shares held indirectly through Amery Holdings Pty Ltd (as trustee for the Calderwood Superannuation Fund), an entity related to Mr Calderwood; and
 - (c) 10,000,000 Options held directly.
- 6. 22,888,888 Sub-Underwriter Options are being offered to the Directors (or their respective nominees) under this Prospectus following the receipt of Shareholder approval under Listing Rule 10.11 at the General Meeting.
- 7. Based on 2,620,912,189 Shares on issue at the Prospectus Date.

(b) **Remuneration of Directors**

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 in the proportion and manner they agree or, in default of agreement, among them equally. 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, accommodation 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 additional or special duties for the Company, the Company may remunerate that Director as determined by the Directors and that remuneration may be either in addition to or in substitution for his or her share in the fee-pool described.

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 Company has agreed to pay Dr Turner a base salary of \$325,000 plus superannuation per annum for services provided to the Company as Managing Director. 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, share-based payments, termination payments and superannuation contributions.

Director	FY ended 30 June 2023 (\$)	FY ended 30 June 2022 (\$)
Klaus Eckhof	75,000	444,183
Peter Turner	325,500	379,527
Zane Lewis	252,074	21,516
Phillip Coulson	432,137	31,516
Mark Calderwood	50,000	126,805

(c) **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 the 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.

5.8 Related party transactions

There are no related party transactions involved in the Offer that are not otherwise described in this Prospectus.

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 and does not vote on the matter.

5.9 Interests of other persons

Except as disclosed in this Prospectus, no underwriter, 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 2 years prior to the date of this Prospectus in the formation or promotion of the Company, the Sub-Underwriter Options offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Sub-Underwriter Options 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 Sub-Underwriter Options offered under this Prospectus.

5.10 Expenses of Offer

Estimated expense	\$
ASIC lodgement fee	\$3,206
Legal and preparation expenses (excluding GST)	\$7,000
Printing, mailing and other expenses	\$3,000
TOTAL	\$13,206

5.11 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Securities 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 solicitors to the Company in this Prospectus. Hamilton Locke has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

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

5.12 Electronic Prospectus

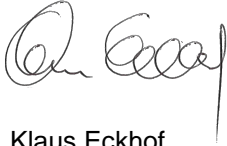
Pursuant to Regulatory Guide 107, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Securities in response to an electronic application form, subject to compliance with certain provisions. If you have received this Prospectus as an Electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company and the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

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

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 the Company by:

A handwritten signature in black ink, appearing to read 'Klaus Eckhof', written in a cursive style.

Klaus Eckhof
Non-Executive Chairman
Dated: 30 October 2023

7. Definitions

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

\$ means Australian dollars.

Applicant means a person who submits an Application Form.

Application Form means an application form attached to or made available with a copy of this Prospectus.

ASIC means Australian Securities and Investments Commission.

ASX means the ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

ASX Settlement means ASX Settlement Pty Limited ACN 008 504 532.

ASX Settlement Operating Rules means ASX Settlement Operating Rules of ASX Settlement.

AWST means Australian Western Standard Time, being the time in Perth, Australia.

Board means the board of Directors.

Business Day means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

CHESS means ASX Clearing House Electronic Sub-register System.

Closing Date has the meaning given in the Timetable.

Company means Kairos Minerals Limited ACN 006 189 331.

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

Corporations Act means the *Corporations Act 2001* (Cth), as amended.

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

Entitlement Offer has the meaning given in Section 1.1.

General Meeting has the meaning given in Section 1.1.

Issuer Sponsored 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.

Joint Underwriters means Canaccord Genuity (Australia) Limited ACN 075 071 466 and Argonaut Securities Pty Limited ACN 108 330 650.

NTA means the Native Title Act 1993 (Cth)

Listing Rules means the listing rules of ASX.

Offer means the offer of up to 145,606,233 Sub-Underwriter Options to the Sub-Underwriters (or their respective nominees), under this Prospectus.

Option means an option, giving the holder the right, but not an obligation, to acquire a Share at a predetermined price and at a specified time in the future.

Prospectus means this prospectus dated the Prospectus Date.

Prospectus Date means 30 October 2023.

Section means a section of this Prospectus.

Securities means Shares and/or Options.

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

Shareholder means the holder of a Share.

Sub Underwriters has the meaning given in Section 1.1.

Sub-Underwriter Options means the Options offered pursuant to this Prospectus.

Tenements means the tenements and claims of the Company.

Timetable means the indicative timetable on page 2 of this Prospectus.