



# OAKDALE RESOURCES LIMITED

**ACN 009 118 861**

## **PROSPECTUS**

This Prospectus is being issued for a total of 121,261,905 Options each exercisable at \$0.03 on or before 30 November 2021.

The Offers under this Prospectus close at 5.00 pm on 18 December 2020 (AWST)\*

**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 SUITABLY QUALIFIED PROFESSIONAL ADVISER WITHOUT DELAY.**

**The Options offered in connection with this Prospectus are of a speculative nature.**

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

## Important information

This Prospectus is dated 17 December 2020 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 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).

A copy of this Prospectus is available for inspection at the registered office of the Company at Unit 3, 32 Harrogate Street, West Leederville, Western Australia, during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 4.6).

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

Applications for Options under the Offers can only be submitted on an original Application Form sent with a copy of this Prospectus by the Company.

Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed. No person is authorised to give any information or to make any representation in connection with the Offers which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offers.

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

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

This document is important and should be read in its entirety before deciding to participate in the Offers. This does not take into account the investment objectives, financial or taxation, or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to their particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult their stockbroker, solicitor, accountant or other professional adviser without delay. Some of the risk factors that should be considered by potential investors are outlined in Section 3.

Definitions of certain terms used in this Prospectus are contained in Section 6. All references to currency are to Australian dollars and all references to time are to the time in Perth, Western Australia unless otherwise indicated.

## Corporate Directory

### **Directors**

Christopher Gale      Executive Chairman  
David Vilensky      Non-Executive Director  
Joseph Van den Elsen   Non-Executive Director

### **Company Secretary**

Yugi Gouw

### **Registered and Principal Office**

Unit 3, 32 Harrogate Street  
WEST LEEDERVILLE WA 6007

Phone:      +61 8 6117 4797  
Email:      info@oakdaleresources.com.au  
Website:    www.oakdaleresources.com.au

### **Share Registry\***

Automic Group Pty Ltd  
267 St Georges Terrace  
PERTH WA 6000

Telephone (within Australia): 1300 288 664  
Telephone (international):    +61 (0) 2 9698 5414

### **Auditor\***

Hall Chadwick Audit (WA) Pty Ltd  
238 Rokeby Road  
SUBIACO WA 6008

### **Solicitors**

HWL Ebsworth  
Level 20, 240 St Georges Terrace,  
Perth WA 6000

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

## Proposed timetable

Lodgement of Prospectus with ASIC Lodgement of Prospectus, announcement of Offers and lodgement of Appendix 3B with ASX Opening Date of Offers	17 December 2020
Closing Date of Offers*	18 December 2020
Intended date of issue of Placement Options and Broker A Options Lodgement of Appendix 2A applying for quotation of the Placement Options and Broker A Options	21 December 2020
Annual General Meeting (10.30am AWST)	22 December 2020
Anticipated date for commencement of Placement Options and Broker Options trading on a normal settlement basis	23 December 2020
Intended date of issue of Broker B Options Lodgement of Appendix 2A applying for quotation of the Broker B Options	23 December 2020
Anticipated date for commencement of Broker B Options trading on a normal settlement basis	24 December 2020

\*The Company reserves the right, subject to the Corporations Act and Listing Rules to change the above indicative timetable including, without limitation, the Closing Date.

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## 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 Securities.

Key Information	Further Information
<p><b>Transaction specific prospectus</b></p> <p>This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.</p>	<p>Section 4.3</p>
<p><b>Risk factors</b></p> <p>Potential investors should be aware that subscribing for Securities 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"> <li>• <b>Additional requirements for capital:</b> The Company's existing funds are expected to provide the required working capital until the quarter ended 30 June 2021. Further funding will be required by the Company to meet the medium to long term working capital costs. There can be no assurance that additional finance will be available when needed or, if available, the term of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.</li> <li>• <b>Exploration and development risk:</b> Mineral exploration and development is a high risk undertaking. There can be no assurance that further exploration on the Company's projects will result in the discovery of an economic ore deposit or that it can be economically exploited.</li> <li>• <b>Coronavirus (COVID-19) risk:</b> The global economic outlook is facing uncertainty due to the COVID-19 pandemic, which has had and may continue to have a significant impact on capital markets and share prices. The Share price may be adversely affected by the economic uncertainty caused by COVID-19. Further, any 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, and are already impacting the ability of the Company to undertake exploration activities and the anticipated timing for the regulatory approval required for the upgrade to the Chimu plant in Peru.</li> </ul>	<p>Section 3</p>

Key Information	Further Information
<p><b>The Offers</b></p> <p>This Prospectus comprises the following Offers for a total of 121,261,905 Options each exercisable at \$0.03 on or before 30 November 2021:</p> <ul style="list-style-type: none"> <li>(a) 104,761,905 Options offered to participants in the placement (<b>Placement</b>) announced by the Company on 10 September 2020 (<b>Placement Options</b>);</li> <li>(b) 10,125,000 Options offered by the Company to the Brokers (or their respective nominees) in consideration for services provided to the Company in connection with the Placement (<b>Broker A Options</b>);</li> <li>(c) 6,375,000 Options offered by the Company to Shape Wealth or its nominees in consideration for services provided by Shape Wealth to the Company in connection with the Placement (<b>Broker B Options</b>).</li> </ul> <p>The Company understands that Shape Wealth is controlled by Ryan Gale, the son of the Executive Chairman of the Company, Christopher Gale. Accordingly, Shape Wealth is a "related party" of the Company. The issue of the Broker B Options is therefore subject to and conditional on the receipt of prior Shareholder approval. The Shareholder approval is being sought at the Annual General Meeting.</p>	<p>Section 1.1</p>
<p><b>Offer participants</b></p> <p>The Offers are made:</p> <ul style="list-style-type: none"> <li>(a) in respect of the Placement Options: the participants in the Placement;</li> <li>(b) in respect of the Broker A Options: the Brokers; and</li> <li>(c) in respect of the Broker B Options: Shape Wealth,</li> </ul> <p>or their respective nominees.</p>	<p>Section 1.1</p>
<p><b>Use of funds</b></p> <p>Nil funds will be raised as a result of the Offers.</p> <p>The Company will receive \$0.03 for each Option exercised. If all Options are issued and exercised, the Company will receive approximately \$3,637,857 (before costs). There is no certainty that any Options will be exercised, and the proportion exercised will depend on the Share price relative to the exercise price during the exercise period. It is currently intended that any funds raised by the exercise of the Options will be used towards completing additional exploration work at Gibraltar Project in South Australia, additional drilling at Lambarson Canyon, Douglas Canyon, Nevada, general exploration work for the Crown Project in the Julimar District, upgrading the Chimu plant in Peru, and general working capital.</p>	<p>Section 1.2</p>
<p><b>Effect on control of the Company</b></p> <p>The Offers will not affect the control (as defined by section 50AA of the Corporations Act) of the Company. No new investor or existing Shareholder will have a voting power greater than 20% as a result of the completion of the Offers.</p>	<p>Section 2.3</p>

Key Information	Further Information												
<p><b>Indicative capital structure</b></p> <p>The indicative capital structure upon completion of the Offer is set out below:</p> <table border="1"> <thead> <tr> <th></th> <th style="text-align: center;">Shares</th> <th style="text-align: center;">Options</th> </tr> </thead> <tbody> <tr> <td>Balance at the date of this Prospectus</td> <td style="text-align: center;">1,629,062,345</td> <td style="text-align: center;">546,367,293</td> </tr> <tr> <td>Maximum to be issued under the Offer</td> <td style="text-align: center;">Nil</td> <td style="text-align: center;">121,261,905</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: center;"><b>1,629,062,345</b></td> <td style="text-align: center;"><b>667,629,198</b></td> </tr> </tbody> </table>		Shares	Options	Balance at the date of this Prospectus	1,629,062,345	546,367,293	Maximum to be issued under the Offer	Nil	121,261,905	<b>Total</b>	<b>1,629,062,345</b>	<b>667,629,198</b>	Section 2.1
	Shares	Options											
Balance at the date of this Prospectus	1,629,062,345	546,367,293											
Maximum to be issued under the Offer	Nil	121,261,905											
<b>Total</b>	<b>1,629,062,345</b>	<b>667,629,198</b>											
<p><b>Directors' interests in Securities</b></p> <p>The relevant interest of each of the Directors in Securities as at the date of this Prospectus is set out in the table below:</p> <table border="1"> <thead> <tr> <th style="text-align: center;">Name</th> <th style="text-align: center;">Existing Shares</th> <th style="text-align: center;">Options</th> </tr> </thead> <tbody> <tr> <td>Christopher Gale</td> <td style="text-align: center;">17,607,432</td> <td style="text-align: center;">2,000,000</td> </tr> <tr> <td>David Vilensky</td> <td style="text-align: center;">7,053,772</td> <td style="text-align: center;">1,763,443</td> </tr> <tr> <td>Joseph Van den Elsen</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> </tbody> </table>	Name	Existing Shares	Options	Christopher Gale	17,607,432	2,000,000	David Vilensky	7,053,772	1,763,443	Joseph Van den Elsen	-	-	Section 4.9(b)
Name	Existing Shares	Options											
Christopher Gale	17,607,432	2,000,000											
David Vilensky	7,053,772	1,763,443											
Joseph Van den Elsen	-	-											
<p><b>Forward looking statements</b></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 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>	Key Information and Section 3												



<b>Key Information</b>	<b>Further Information</b>
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.	

## 1. Details of the Offers

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### 1.1 The Offers

This Prospectus comprises the following Offers for a total of 121,261,905 Options each exercisable at \$0.03 on or before 30 November 2021:

- (a) 104,761,905 Options offered to participants in the placement (Placement) announced by the Company on 10 September 2020 (**Placement Options**);
- (b) 10,125,000 Options offered by the Company to the Brokers (or their respective nominees) in consideration for services provided to the Company in connection with the Placement (**Broker A Options**);
- (c) 6,375,000 Options offered by the Company to Shape Wealth or its nominees in consideration for services provided by Shape Wealth to the Company in connection with the Placement (**Broker B Options**).

The Company understands that Shape Wealth is controlled by Ryan Gale, the son of the Executive Chairman of the Company, Christopher Gale. Accordingly, Shape Wealth is a "related party" of the Company. The issue of the Broker B Options is therefore subject to and conditional on the receipt of prior Shareholder approval. The Shareholder approval is being sought at the Annual General Meeting.

No funds will be raised as a result of the issue of the Options, as:

- (a) the Placement Options are offered on a free-attaching basis to the participants in the Placement; and
- (b) the Broker A Options and Broker B Options are being offered as consideration for broker services provided in connection the Placement.

A summary of the rights and liabilities attaching to the Options offered under the Offers is in Section 4.2. All Shares issued upon the exercise of the Options will rank equally with the Shares on issue at the date of the Prospectus, as summarised in Section 4.1.

The Company will apply for quotation of the Options (see Section 1.7).

### 1.2 Use of funds

Nil funds will be raised as a result of the Offer.

The Company will receive \$0.03 for each Option exercised. If all Options are issued and exercised, the Company will receive approximately \$3,637,857 (before costs). There is no certainty that any Options will be exercised and the proportion exercised will depend on the Share price relative to the exercise price during the exercise period. It is currently intended that any funds raised by the exercise of the Options will be used towards completing additional exploration work at Gibraltar Project in South Australia, additional drilling at Lambarson Canyon, Douglas Canyon, Nevada, general exploration work for the Crown Project in the Julimar District, upgrading the Chimu plant in Peru, and general working capital.

Working capital includes but is not limited to corporate administration and operating costs and may be applied to additional Directors' fees or executive fees, ASX and share registry fees, legal, tax and audit fees, insurance and travel costs and payment of creditors or other liabilities.

The application of funds will depend on when Options are exercised and the status of the Company's projects and requirements at the relevant time.

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

### **1.3 Closing Date**

The Closing Date for the Offers is 18 December 2020. All Applications must be received by the Company by no later than 5.00 pm AWST on this date.

The Company reserves the right, subject to the Corporations Act and the Listing Rules to vary the Closing Date without prior notice.

### **1.4 Minimum subscription**

There is no minimum subscription for the Offers.

However, the Options offered under the Offers will only be admitted to official quotation by ASX if the conditions for quotation of a new class of securities are satisfied (which include, amongst other things, there being a minimum of 100,000 of the new Options on issue, with at least 50 holders with a marketable parcel (within the meaning of the Listing Rules)).

### **1.5 Substantial Shareholders**

As at that date of this Prospectus there are no persons who have a relevant interest in 5% of more of the Shares on issue in the Company.

The Offer will have no effect on the quantity of Shares held by existing Shareholders as only Options are being issued.

The Offer will not affect the control (as defined by section 50AA of the Corporations Act) of the Company. No new investor or existing Shareholder will have a voting power greater than 20% as a result of the completion of the Offer or upon exercise of the Options.

### **1.6 Issue date**

All Options under the Offers are expected to be issued on or before the relevant date specified in the proposed timetable in this Prospectus.

In the case of the Broker B Options, the issue is subject to and conditional on the receipt of Shareholder approval at the Annual General Meeting.

No 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).

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

## 1.7 ASX quotation

Application for Quotation of the Options offered pursuant to this Prospectus will be made in accordance with the timetable set out on page iii of this Prospectus. The Options will be issued in accordance with this timetable, however they will remain unquoted until such time as the Company satisfied the quotation requirements. The Company anticipates that quotation will occur soon after issue.

The Options will only be admitted to official quotation by ASX if the conditions for quotation of a new class of securities are satisfied (which include, amongst other things, there being a minimum of 100,000 of the new Options on issue, with at least 50 holders with a marketable parcel (within the meaning of the Listing Rules)).

If ASX does not grant official quotation of the Options offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus (or such period as varied by ASIC) any Options issued will be void in accordance with section 723 of the Corporations Act.

The fact that ASX may grant official quotation of the Options is not be taken in any way as an indication of the merits of the Company or the Options now offered. ASX takes no responsibility for the contents of this Prospectus.

## 1.8 CHESS

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

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

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

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

If you are registered on the Issuer Sponsored sub-register, your statement will be dispatched by the Company's share registry and will contain the number of Options issued to you under this Prospectus and your security holder reference number.

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

## 1.9 Risk factors

An investment in the Company should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are certain specific risks associated with an investment in the Company which are detailed in Section 3.

## 1.10 Taxation implications

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

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

### 1.11 Major activities and financial information

A summary of the major activities and financial information relating to the Company, for the financial year ended 30 June 2020, can be found in the Company's Annual Report announced on ASX on 1 October 2020 and, for the half-year ended 31 December 2019, the Half Year Accounts announced on ASX on 13 March 2020. The Company's continuous disclosure notices (i.e. ASX announcements) since 1 October 2020 are listed in Section 4.6. Copies of these documents are available free of charge from the Company. The Directors strongly recommend that Applicants review these and all other announcements prior to deciding whether or not to participate in the Offers.

### 1.12 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 holding of Securities 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 (as applicable).

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must 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 Corporations Act and certain rules such as the ASX Settlement Operating Rules.

### 1.13 Enquiries concerning Prospectus

For enquiries concerning the Application Forms and the Prospectus, please contact the Company Secretary on +61 8 6117 4797.

For general Shareholder enquiries, please contact Automic Group Pty Ltd on 1300 288 664 (within Australia) and +61 (0) 2 9698 5414 (International).

## 2. Effect of the Offers

### 2.1 Capital structure on completion of the Offers

	Shares	Options
Balance at the date of this Prospectus	1,629,062,345	546,367,293 <sup>1</sup>
Maximum to be issued under the Offer <sup>4</sup>	Nil	121,261,905 <sup>2</sup>
<b>Total</b>	<b>1,629,062,345</b>	<b>667,629,198<sup>3</sup></b>

#### Notes:

1. All Options currently on issue are quoted Options exercisable at \$0.04 each on or before on 31 December 2021.
2. Up to 121,261,905 Options will be issued in accordance with the timetable set out at the commencement of this Prospectus. Contemporaneously with this Prospectus an application has been made to ASX for the Options to be quoted on the ASX. The terms and conditions of the Options offered under this Prospectus are in Section 4.2.
3. Assumes that Shareholder approval is received for the issue of the Broker B Options at the Annual General Meeting and that all Options offered under the Offers are issued. The actual number of Options issued will vary based on the Options subscribed for and issued pursuant to the Offer.
4. In addition to the Securities represented in the above table, the Company is seeking Shareholder approval at the Annual General Meeting to issue up to:
  - (a) 150,000,000 Shares during the three month period following the Annual General Meeting for the purposes of repaying debt and general working capital or as consideration for, or to develop, any acquisitions of new resources, assets and investments that the Company may undertake (although none are currently planned) including expenses associated with such an acquisition;
  - (b) 28,140,000 performance rights and 13,860,000 retention rights to Christopher Gale (or his nominees) under the Company's incentive rights plan;
  - (c) 15,000,000 deferred rights to David Vilensky (or his nominees) under the Company's non-executive director deferred rights plan; and
  - (d) 15,000,000 deferred rights to Joseph van den Elsen (or his nominees) under the Company's non-executive director deferred rights plan.

Refer to the notice of Annual General Meeting announced on the ASX market announcements platform on 17 November 2020 for additional details.

### 2.2 Financial effect of the Offers

There will be no proceeds of the Offers as the Options are being offered for nil cash consideration. The expenses of the Offers will be met from the Company's existing cash reserves. The Offers will have an effect on the Company's financial position of reducing the cash balance by approximately \$60,000. Please refer to Section 4.13 for further details on the estimated expenses of the Offer.

### 2.3 **Effect of the Offers on control of the Company**

The Company is of the view that the Offers will not affect the control (as defined by section 50AA of the Corporations Act) of the Company. No new investor or existing Shareholder will have a voting power greater than 20% as a result of the completion of the Offers.

### 3. Risk Factors

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

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

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

#### 3.1 Risks specific to the Company

##### (a) Additional requirements for capital

The Board considers that its existing cash will be sufficient to support its activities until approximately the quarter ended 30 June 2021.

Additional funding will be required by the Company to support its ongoing activities and operations beyond 30 June 2021 and to meet the medium to long term working capital costs of the Company.

The Company's ability to raise further capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to the Company will vary accordingly to a number of factors, including prospectivity of the Company's projects (existing and future), feasibility studies, development of its technology, stock market and industry conditions and the price of relevant commodities and exchange rates.

The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of exploration, development or production on the Company's properties or even loss of a property interest. There can be no assurance that additional finance will be available when needed or, if available, the term of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

##### (b) Coronavirus disease

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 prices. The Company's Share price may be adversely affected by the economic uncertainty caused by COVID-19.

Measures to limit the transmission of the virus implemented by governments around the world (such as travel bans and quarantining) are adversely impact the Company's operations and will cause delays in the Company's previously planned exploration programs.

As previously disclosed, the Peruvian Presidential Decree which shut all the Peruvian borders due to COVID-19 came into effect on 16 March 2020, with a full lockdown which was extended to 30 September 2020. The country has now began phase 4 economic



reactivation on 1 October 2020 which include the resumption of a limited number of international flights. The Company's Peru office is now closed, and staff are working from home. The receipt of the necessary approval from the Mining Authority in Peru for the upgrade to the Chimu plant is expected to be delayed as a result of COVID-19.

(c) **Resource estimates and targets**

The Company has delineated JORC Code compliant resources on the tenements comprising Oakdale Graphite Project located on the Eyre Peninsula in South Australia. Resource estimates are an expression of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

(d) **Exploration costs**

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

(e) **Tenure and access**

Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for production tenements will be approved.

The Company's current tenements are subject to the applicable mining acts and regulations in South Australia. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

(f) **Native title risk**

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) **Option risk and dilution**

Options are, by their nature, only of value at times when the exercise price is lower than the price of the underlying Shares. There is no guarantee that the Options offered under this Prospectus will, at any particular time, have an exercise price which is lower than the price of the Shares.

The Options are, at the date of this Prospectus, 'out of the money'. There is a risk that the Options may expire at a time when they have little or no value.

On completion of the Offer, assuming maximum subscription, there will be up to a further 121,261,905 Options on issue. If exercised, these Options will be converted into Shares, thereby causing the shareholdings of Shareholders to be diluted by up to 7.44% (on the basis that the Offer is fully subscribed, no other Shares are issued and no existing Options on issue at the date of this Prospectus are exercised). However, each Option has an exercise price of \$0.03 which means that the Company will receive additional funds of up to \$3,637,857 (before costs) upon exercise of the Options, if all Options the subject of the Offer are issued and subsequently exercised.

### 3.2 Risks relating to the industry generally

(a) **Exploration**

The mineral tenements of the Company are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

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

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

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

(b) **Development risk**

If the Company does locate commercially viable reserves of minerals, then the future development of a mining operation at any of the Company's projects will be subject to a number of risks, including:

- (i) geological and weather conditions causing delays and interference to operations;

- (ii) obtaining all necessary and requisite approvals from relevant authorities and third parties;
- (iii) technical and operational difficulties associated with mining of minerals and production activities;
- (iv) access to necessary funding;
- (v) mechanical failure of plant and equipment;
- (vi) shortage or increases in price of consumables, and plant and equipment;
- (vii) environmental hazards, fires, explosions and other accidents;
- (viii) transportation facilities;
- (ix) costs overruns; and
- (x) the costs of extraction being higher than expected.

There is no guarantee that the Company will achieve commercial viability through the development of its projects. If the Company locates commercial reserves of minerals, it may seek to apply for a mining lease over the area. The lease is subject to approval being obtained from the Minister and may be subject to any terms and conditions imposed by the Minister (or other interested parties).

(c) **Operations**

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. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(d) **Environmental risk**

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 non-compliance with environmental laws or regulations.

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

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

(e) **Competition risk**

The industry in which the Company will be involved is subject to domestic and global competition. 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.

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

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

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

(g) **Regulatory Risks**

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the Company's tenements.

(h) **Government policy changes**

Adverse changes in government policies or legislation may affect the Company's ability to develop its technology, availability of research and development credits, taxation, royalties, ownership of mineral interests, land access, labour relations, and mining and exploration activities of the Company. Any material adverse changes in relevant government policies or legislation of Australia may affect the viability and profitability of the Company, and consequent returns to investors. The activities of the Company are subject to various federal, state and local laws governing prospecting, development, production, taxes, labour standards and occupational health and safety, and other matters.

### 3.3 **General risks**

(a) **Share market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

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

(b) **Litigation risks**

The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position.

On 25 August 2020, John Lynch, a former director of the Company brought a claim in the Queensland Magistrate Court against the Company. Mr Lynch has claimed payment of \$66,821 (plus interest and legal cost) for current financial year consultancy fees and administration services provided in prior year. The Company and the Directors have denied the claim and have taken steps to defend that claim with the assistance of legal representation. While the claim is currently ongoing, the Company has accrued most of the claim amount and is of the opinion any additional exposure is minimal.

Other than as described above, the Company is not currently engaged in any litigation.

(c) **Potential acquisitions**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies or prospects although no such acquisitions or investments are currently planned. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions.

(d) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(e) **General economic and political risks**

Changes in the general economic and political climate in Australia and on a global basis may impact on economic growth, interest rates, the rate of inflation, taxation and tariff laws, domestic security which may affect the value and viability of any activities that may be conducted by the Company.

(f) **Insurance**

Insurance against all risks associated with the Company's business is not always available or affordable. The Company maintains insurance where it is considered appropriate for its needs however it will not be insured against all risks either because appropriate cover is not available or because the Directors consider the required premiums to be excessive having regard to the benefits that would accrue.

(g) **Unforeseen expenditure risks**

Expenditure may need to be incurred which has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any such additional expenditure requirements, however if such expenditure is subsequently required or incurred, this may adversely impact budgeted expenditure proposals by the Company.

(h) **Climate change risks**

Climate change is a risk the Company has considered, particularly related to its operations in the mining industry. The climate change risks particularly attributable to the Company include:

- (i) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and
- (ii) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with

climate change may significantly change the industry in which the Company operates.

### 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 the Options offered under this Prospectus.

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

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

## 4. Additional information

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### 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 Shares issued upon exercise of the 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 new 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) **Unmarketable parcels**

The Company's Constitution provides for the sale of unmarketable parcels subject to any applicable laws and provided a notice is given to the minority Shareholders stating that the Company intends to sell their relevant Shares unless an exemption notice is received by a specified date.

(i) **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.

(j) **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 Rights and liabilities attaching to Options

The rights attaching to the Options offered under this Prospectus are regulated by the Constitution, the Corporations Act, the Listing Rules and the general law. The following is a summary of the key terms of the Options:

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Issue Price**

No cash consideration is payable for the issue of the Options.

(c) **Exercise Price**

The Options have an exercise price of \$0.03 per Option (**Exercise Price**).

(d) **Expiry Date**

The Options expire at 5.00 pm (AWST) on 30 November 2021 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(e) **Exercise Period**

The Options are exercisable at any time and from time to time on or prior to the Expiry Date.

(f) **Quotation of the Options**

The Company has exercised its discretion to apply for quotation of the Options on ASX.

(g) **Notice of Exercise**

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

Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

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

Within 5 Business Days after the later of the following:

(i) the Exercise Date; and

(ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

the Company will:

- (iii) 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;
- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (v) 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.

(i) **Restrictions on transfer of Shares**

If the Company is required but unable to give ASX a notice under paragraph 4.2(h)(iv), 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.

(J) **Shares issued on exercise**

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

(k) **Quotation of Shares on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options in accordance with the Listing Rules.

(l) **Reconstruction of capital**

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

(M) **Participation in new issues**

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

(n) **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 Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(o) **Change of Control**

Upon the occurrence of:

- (i) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:
  - (A) having received acceptances for greater than 50% of the Company's shares on issue; and
  - (B) having been declared unconditional by the bidder;
- (ii) any person acquires a Relevant Interest (as defined in the Corporations Act) more than 50% of the Shares by any other means; or
- (iii) any merger transaction or scheme of arrangement is recommended by the Board and where such transaction would have the effect contemplated in paragraph 4.2(o)(ii) above,

(each a **Change of Control Event**) or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Options will be dealt with, including, without limitation, in a manner that allows the holder of the Options to participate in and/or benefit from any transaction arising from or in connection with the Change of Control Event.

#### 4.3 **Company is a disclosing entity**

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the securities market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes, aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit review or report. Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 4.6 below). Copies of all documents announced to the ASX can be found on the Company's website.

#### 4.4 **Market price of Shares**

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

Highest: \$0.031 on 21 September 2020

Lowest: \$0.017 on 9 and 10 November 2020

The latest available market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was \$0.021 per Share on 16 December 2020.

#### 4.5 Dividend Policy

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

#### 4.6 Copies of documents

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

- (a) the Annual Report for the period ending 30 June 2020 lodged with ASX on 1 October 2020 (**Annual Financial Report**);
- (b) the Half Yearly Report for the period ending 31 December 2019 lodged with ASX on 13 March 2020; and
- (c) the continuous disclosure notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Annual Financial Report lodged with ASX on 1 October 2020, until the date of this Prospectus:

Date lodged	Subject of Announcement
19/11/2020	Investors Presentation
19/11/2020	Air-Core Drilling Completed at Gibraltar
17/11/2020	Letter to Shareholders - Upcoming Annual General Meeting
17/11/2020	Notice of Annual General Meeting/Proxy Form
11/11/2020	Air-Core Drilling Commenced at Gibraltar
05/11/2020	Primary Gold Mineralisation Confirmed at Lambarson Canyon
29/10/2020	Air-Core Drilling to Commence at Gibraltar
28/10/2020	Quarterly Activities and Cashflow Report
16/10/2020	First Diamond Drill Hole Completed at Lambarson Canyon
08/10/2020	Crown Project Update
01/10/2020	Halloysite-Kaolin Project Granted and Drilling to Commence
01/10/2020	Appendix 4G - Key to Disclosures Corporate Governance Council Principles and Recommendations
01/10/2020	Corporate Governance Statement
01/10/2020	2020 Annual Report

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 4.14 and the consents provided by the Directors to the issue of this Prospectus.

#### 4.7 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules other than as is set out in this Prospectus.

#### 4.8 Determination by ASIC

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

#### 4.9 Interests of Directors

##### (a) Information disclosed in this Prospectus

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

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

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

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

##### (b) Security holdings

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

Name	Shares	Options
Christopher Gale <sup>1</sup>	17,607,432	2,000,000
David Vilensky <sup>2</sup>	7,053,772	1,763,443

Name	Shares	Options
Joseph Van den Elsen <sup>3</sup>	-	-

**Notes:**

1. Mr Gale's Interest is held indirectly by Mr Chris Gale and Mrs Stephanie Gale as trustees for the Gale Super Fund A/C.
2. Mr Vilensky's interest is held indirectly by Coilens Corporation Pty Ltd.
3. Mr Van den Elsen was appointed as a Non-Executive Director on 9 March 2020 and does not hold any Securities as at the date of this Prospectus.

(c) **Remuneration**

The Constitution of the Company provides that the non-executive directors are entitled to be paid a maximum total amount of director's fees, determined by the Company in general meeting, or until so determined, as the Directors resolve. The amount of the remuneration of the Directors is to be divided among them in the proportion and manner they agree or, in default of agreement, among them equally and is to be provided wholly in cash unless otherwise determined.

The remuneration of executive directors must, subject to the provisions of any contract between each of the executive directors and the Company, be fixed by the Directors and may be by way of salary or commission or participation in profits or by all or any of those modes, but may not be by a commission on or percentage of operating revenue. The Company currently has one Executive Director, Chris Gale.

Mr Chris Gale, who is the Company's Executive Chairman, is currently entitled to a monthly fee of \$20,000. In accordance with his contract signed in 2019, the monthly fee has been increased from \$14,000 to \$20,000 from November 2020 as a result of the Company's market capitalisation being \$20 million or more for three consecutive months. In the event that the Company's market capitalisation is \$50 million or more for three consecutive months the monthly fee is to increase to \$30,000. Conversely, if the market capitalisation of the Company decreases for three consecutive months, the fee will similarly decrease to a lower level commensurate with that market capitalisation, subject to the fee being no lower than \$14,000 per month.

The Constitution also provides that:

- (i) the Company must pay a Director (in addition to any remuneration) all reasonable expenses (including travelling and accommodation expenses) incurred by the director in or about the performance of their duties as a Director; and
- (ii) if a Director, at the request of the Directors, performs 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 that Director's remuneration.

The Company is seeking the approval of its Shareholders at the Annual General Meeting to issue the following Securities to the Directors as part of their remuneration package:

- (i) 28,140,000 performance rights and 13,860,000 retention rights to Christopher Gale (or his nominees) under the Company's incentive rights plan;

- (ii) 15,000,000 deferred rights to David Vilensky (or his nominees) under the Company's non-executive director deferred rights plan; and
- (iii) 15,000,000 deferred rights to Joseph van den Elsen (or his nominees) under the Company's non-executive director deferred rights plan.

Refer to the notice of Annual General Meeting announced on the ASX market announcements platform on 17 November 2020 for additional details.

No remuneration was paid to key management personnel during the financial year ended 30 June 2019 and also during the financial year ended 30 June 2018. The key management personnel have agreed to waive any entitlement to remuneration or other entitlements until further progress has been made on the various projects and the Company has conducted a further capital raising to fund its future operations.

The following table sets out the remuneration the Directors accrued up to 30 June 2020:

Director	Directors' fees, and salary (accrued) (\$)	Super-annuation (\$)	Share based payments (\$)	Total (\$)
Chris Gale	168,000	-	-	168,000
David Vilensky	60,000	-	-	60,000
John Lynch <sup>1</sup>	24,000	-	-	24,000
Joseph Van den Elsen <sup>2</sup>	19,032	-	-	19,032

**Notes:**

1. Mr Lynch was appointed as a Non-Executive Chairman on 27 November 2014 and resigned from his position as Chairman on 16 May 2019 and Non-Executive Director on 6 March 2020.
2. Mr Van den Elsen was appointed as a Non-Executive Director on 9 March 2020 and therefore did not receive remuneration prior to 9 March 2020.

The following table sets out the remuneration the Directors accrued up to 30 June 2019:

Director	Directors' fees, and salary (accrued) (\$)	Super-annuation (\$)	Share based payments (\$)	Total (\$)
Chris Gale	38,400	-	-	38,400
David Vilensky	36,000	-	-	36,000
John Lynch	9,000	-	-	9,000



#### 4.10 Interests of other persons

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

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

HWL Ebsworth Lawyers will be paid approximately \$15,000 (plus GST) in fees for legal services in connection with the Offer.

Automic Group Pty Ltd has been appointed to conduct the Company's share registry functions and will provide administrative services in respect of this Offer, and will be paid for these services on standard industry terms and conditions.

#### 4.11 Broker Mandates

##### (a) **Foster Broker Mandate**

For the Placement, the Company entered into a broker agreement with Foster Stockbroking Pty Ltd (**Foster Broker Mandate**).

Pursuant to the Foster Broker Mandate, Foster Stockbroking Pty Ltd were appointed as a broker, and has facilitated and participated in the Placement as an AFSL Broker or an authorised representative of an AFSL Broker.

As consideration for the services set out above, the Company must pay and issue:

- (i) a fee of 6% on funds raised; and
- (ii) 3,750,000 Options with an exercise price of \$0.03 each and expiry date of 30 November 2021.

The Foster Broker Mandate contains other terms usual for agreements of this nature.

##### (b) **SJ Capital Broker Mandate**

For the Placement, the Company entered into a broker agreement with SJ Capital Pty Ltd (**SJ Capital Broker Mandate**).

Pursuant to the SJ Capital Broker Mandate, SJ Capital Pty Ltd were appointed as a broker, and has facilitated and participated in the Placement as an AFSL Broker or an authorised representative of an AFSL Broker.

As consideration for the services set out above, the Company must pay and issue:

- (i) a fee of 6% on funds raised; and
- (ii) 6,375,000 Options with an exercise price of \$0.03 each and expiry date of 30 November 2021.

The SJ Capital Broker Mandate contains other terms usual for agreements of this nature.

(c) **Shape Wealth Pty Ltd**

For the Placement, the Company entered into a broker agreement with Shape Wealth Pty. Ltd (**Shape Wealth Broker Mandate**).

Pursuant to the Shape Wealth Broker Mandate, Shape Wealth was appointed as a broker, and has facilitated and participated in the Placement as an AFSL Broker or an authorised representative of an AFSL Broker.

As consideration for the services set out above, the Company must pay and issue:

- (i) a fee of 6% on funds raised; and
- (ii) 6,375,000 Options with an exercise price of \$0.03 each and expiry date of 30 November 2021.

The Shape Wealth Broker Mandate contains other terms usual for agreements of this nature

#### 4.12 Related party transactions

The Company entered into the Shape Wealth Broker Mandate with Shape Wealth as summarised in Section 4.11(c). The Company understands that Shape Wealth is controlled by Ryan Gale, the son of the Executive Chairman of the Company, Christopher Gale. Accordingly, Shape Wealth is a "related party" of the Company. The issue of the Broker B Options is therefore subject to and conditional on the receipt of prior Shareholder approval. The Shareholder approval is being sought at the Annual General Meeting.

Aside from the above, there are no related party transactions involved in the Offers.

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.

#### 4.13 Expenses of Offers

The estimated expenses of the Offers are as follows:

<b>Estimated expense</b>	<b>\$</b>
ASIC lodgement fees	3,206
ASX quotation fees	41,923
Legal and preparation expenses	15,000
<b>TOTAL</b>	<b>60,129</b>

#### 4.14 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Options 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.

HWL Ebsworth has given its written consent to being named as the Solicitors to the Company in this Prospectus. HWL Ebsworth has not withdrawn its consent prior to the lodgment of this Prospectus with ASIC.

Automic Group Pty Ltd has given its written consent to being named as the share registry to the Company in this Prospectus. Automic Pty Ltd has not withdrawn its consent prior to the lodgment of this Prospectus with ASIC.

## 5. Directors' Statement and Consent

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The issue of this Prospectus has been authorised by each of the Directors of the Company.

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

A handwritten signature in black ink, appearing to read 'C. Gale', with a long horizontal stroke extending to the right.

Christopher Gale  
**Executive Chairman**

Dated: 17 December 2020

## 6. Glossary

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

<b>\$</b>	means Australian dollars.
<b>Annual General Meeting</b>	means the Company's annual general meeting to be held on 22 December 2020 and any postponement or adjournment of such meeting.
<b>Applicant</b>	means a person who submits an Application Form.
<b>Application</b>	means a valid application for Options made on an Application Form.
<b>Application Form</b>	means an application form provided by the Company with a copy of this Prospectus.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	means ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.
<b>ASX Settlement</b>	means ASX Settlement Pty Limited ACN 008 504 532.
<b>ASX Settlement Operating Rules</b>	means ASX Settlement Operating Rules of ASX Settlement
<b>AWST</b>	means Australian Western Standard Time.
<b>Board</b>	means the Directors meeting as a board.
<b>Broker A Options</b>	has the meaning given in Section 1.1(b).
<b>Broker B Options</b>	has the meaning given in Section 1.1(c).
<b>Brokers</b>	means Foster Stockbroking Pty Ltd ACN 088 747 148 and SJ Capital Pty Ltd ACN 601 822 164.
<b>Business Day</b>	means Monday to Friday inclusive, other than a day that ASX declares is not a business day.
<b>CHESS</b>	means ASX Clearing House Electronic Subregistry System.
<b>Closing Date</b>	has the meaning given to it in Section 1.3.
<b>Company</b>	means Oakdale Resources Limited ACN 009 118 861 (to be renamed "OAR Resources Limited", subject to the receipt of Shareholder approval to be sought at the Annual General Meeting).

<b>Constitution</b>	means the constitution of the Company as at the date of this Prospectus.
<b>Corporations Act</b>	means <i>Corporations Act 2001</i> (Cth).
<b>Directors</b>	means the directors of the Company.
<b>Issuer Sponsored</b>	means Shares issued by an issuer that are held in uncertified form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.
<b>Listing Rules</b>	means the listing rules of ASX.
<b>Offers</b>	means the offers of the Placement Options, Broker A Options and Broker B Options under this Prospectus.
<b>Option</b>	means the right to acquire one Share in the capital of the Company.
<b>Placement</b>	means the issue of 104,761,905 Shares at \$0.021 each to institutional and sophisticated investors to raise \$2,200,000 (before costs) as announced by the Company on 10 September 2020.
<b>Placement Options</b>	has the meaning given in Section 1.1(a).
<b>Prospectus</b>	means this prospectus dated 17 December 2020.
<b>Section</b>	means a section of this Prospectus.
<b>Securities</b>	mean any securities issued or granted by the Company.
<b>Shape Wealth</b>	means Shape Wealth Pty Ltd ACN 154 442 547.
<b>Shape Wealth Broker Mandate</b>	has the meaning given in Section 4.11(c).
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means a holder of Shares.
<b>Timetable</b>	means the timetable on page iii.