

ADAVALE RESOURCES LIMITED
ACN 008 719 015

LOYALTY BONUS OPTIONS PROSPECTUS

For the offers of:

1. a pro-rata non-renounceable entitlement offer of one (1) loyalty bonus option (**Bonus Option**) for every ten (10) Shares held by those Shareholders registered at the Record Date at an exercise price of \$0.03 per Option on or before 22 September 2023 (**Bonus Offer**). No funds will be raised from the Bonus Offer; and
2. up to 30,015,133 free-attaching Options exercisable at \$0.03 per Option on or before 22 September 2023 to participants in the Placement, on the basis of one (1) Option for every three (3) Shares subscribed for and issued to participants under the Placement (**Placement Options Offer**). No funds will be raised from the Placement Options Offer,

(together, **the Offers**).

IMPORTANT NOTICE

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

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

IMPORTANT NOTICE

This Prospectus is dated 5 October 2022 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

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

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

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

Applications for Options offered pursuant to this Prospectus can only be made by an original Entitlement and Acceptance Form.

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

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

No Investment Advice

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

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

Forward-looking statements

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

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

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

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

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

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

Overseas shareholders

These Offers do not, and are not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not

be lawful to make such an offer or to issue this Prospectus.

The Bonus Offer is not being extended and Bonus Options will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

For further information on overseas Shareholders please refer to Sections 1.4 and 2.7.

Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Options.

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

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

Please refer to Section 6.2 for further details.

Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of Options issued under this Prospectus. The Company will only distribute this Prospectus to those investors who fall within the target market determination (TMD) as set

out on the Company's website (www.adavaleresources.com/).

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.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.adavaleresources.com/.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 2 8003 6733 during office hours or by emailing the Company at investor@adavaleresources.com.

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

Company Website

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

Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

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

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

Electronic sub-registers mean that the Company will not be issuing

certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

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

Definitions and Time

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

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

Privacy statement

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

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

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the

information required on the application for Securities, the Company may not be able to accept or process your application.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offer please call the Company Secretary on +61 2 8003 6733.

CORPORATE DIRECTORY

Directors

Grant Pierce
(Non-Executive Chairman)

David Riekie
(Executive Director)

John Hicks
(Non-Executive Director)

CEO

Allan Ritchie

CFO & Company Secretary

Leonard Math

Registered Office

CBSW Pty Ltd
Level 2, 49 Oxford Close
West Leederville WA 6007

Telephone: + 61 02 8003 6733

Email: investor@adavaleresources.com

Website: www.adavaleresources.com/

ASX Code

ADD

Share Registry*

Computershare Investor Services Pty Ltd
Level 3, 60 Carrington Street
Sydney, New South Wales 2000

Telephone: +61 02 8234 5000 (outside
Australia)

Telephone: 1300 850 505 (within Australia)

Website: www.computershare.com/au

Auditor*

HLB Mann Judd (WA)
Level 4
30 Stirling Street
Perth WA 6000

Legal Advisers

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

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

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1. KEY OFFER INFORMATION

1.1 Timetable*

ASX Announcement of Offers	27 July 2022
Lodgement of Prospectus with the ASIC	Wednesday, 5 October 2022
Lodgement of Prospectus & Appendix 3B with ASX	Wednesday, 5 October 2022
Closing date for Placement Options Offer	5:00pm (WST) Friday, 7 October 2022
Ex date	Friday, 28 October 2022
Record Date for determining Entitlements to Bonus Options	5:00pm (WST) Monday, 31 October 2022
Bonus Options issue date and lodgement of Appendix 3G with ASX	Thursday, 3 November 2022

*These dates are indicative only and are subject to change. The Company reserves the right to vary the above dates, subject to the Listing Rules and Corporations Act.

1.2 Key statistics of the Offers

Bonus Offer Ratio	1:10
Issue Price per Bonus Option:	Nil consideration
Exercise Price of Bonus Options	\$0.03
Expiry Date of Bonus Options	22 September 2023
Quotation terms	Not quoted
Maximum Bonus Options¹ to be issued under Bonus Offer²	50,839,291
Eligible Shareholders for Bonus Options	Being the Shareholders who are the registered owners of Shares at the Record Date and who have a registered address in Australia or New Zealand. See Section 1.4 and 2.7 for further information about overseas Shareholders.
Options issued under the Placement Options Offer²	30,015,133

Notes: p

1. Based on the Share capital of 508,392,911 as at the date of this Prospectus and assuming no additional Shares are issued, including by exercise of Options, prior to the Record Date.
2. Refer to Section 4.2 for the terms of the Options.

1.3 Key Risk Factors

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

1.4 Bonus Offer- Eligible Shareholders

The Company has determined, pursuant to Listing Rule 7.7, not to make the Bonus Offer to any Shareholder with a registered address outside of Australia or New Zealand on the Record Date, having regard to:

- (a) the number of Shareholders resident in those jurisdictions;
- (b) the number and value of the Bonus Options that would be offered to Shareholders' resident in those jurisdictions; and
- (c) the cost of complying with the legal requirements, and the requirements of a regulatory authority, in those jurisdictions.

Please refer to Section 2.7 for further information.

1.5 Placement Options Offer

Only investors who participated in the Placement may participate in the Placement Options Offer.

2. DETAILS OF THE OFFERS

2.1 Bonus Offer

As announced by the Company on 27 July 2022, the Bonus Offer is being made as a pro-rata non-renounceable offer of one (1) Bonus Option for every ten (10) Shares held by all Eligible Shareholders as registered at 5:00pm (WST) on the Record Date. The Bonus Options will be exercisable at \$0.03 on or before 22 September 2023, and otherwise on the terms set out in Section 4.2. Fractional Entitlements will be rounded up to the nearest whole number.

The Company will not be seeking quotation of the Bonus Options. Please refer to Section 4.2 for further information on the terms of the Bonus Options.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no Shares are issued prior to the Record Date including on exercise or conversion of securities on issue) approximately 50,839,291 Bonus Options may be issued under the Bonus Offer. If all Bonus Options issued under the Offer are subsequently exercised (exercisable at \$0.03 on or before 22 September 2023), the Company will receive approximately \$1,525,178.

All of the Shares issued upon the future exercise of the Bonus Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to the Shares.

As the Bonus Offer is a bonus issue of Options, **Eligible Shareholders are not required to apply for Bonus Options, and as such, there is no application form attached to this Prospectus for the Bonus Offer.**

2.2 Placement Options Offer

The Company announced on 27 July 2022 that it had received firm commitments for 80,045,411 Shares from professional, sophisticated, and institutional investors at an issue price of \$0.02 per Share to raise approximately \$1,800,000 (**Placement**). On 4 August 2022, the Company issued 80,045,411 Shares to participants of the Placement under the Company's existing Listing Rules 7.1 and 7.1A placement capacity.

The Placement includes the issue of one (1) free attaching unlisted Option for every three (3) Shares subscribed for and issued pursuant to the Placement. The issue of the Options is the subject of the Placement Options Offer.

Based on the number of Shares issued under the Placement, 30,015,133 Options are offered under the Placement Options Offer. The Company received Shareholder approval at the Company's General Meeting held on 28 September 2022 and it is the Company's intention to issue the Options offered under the Placement Options Offer after the Closing Date. No funds will be raised under the Placement Options Offer.

The Company will not be seeking quotation of the Options under the Placement Options Offer.

Please refer to Section 3.1 for the purpose of the Placement Options Offer.

The Options offered under the Placement Options Offer will be exercisable at \$0.03 each on or before 5:00pm (WST) on 22 September 2023 and otherwise on the terms set out in Section 4.2. All of the Shares issued upon exercise of the

Options will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to the Shares.

Directors of the Company, Mr David Riekie and Mr John Hicks, participated in the Placement and following receipt of Shareholder approval at the Company's General Meeting held on 28 September 2022, will both receive 833,333 Options each under the Placement Options Offer.

Placement Options Offer

No subscription monies are payable for the Options offered pursuant to this Prospectus under the Placement Options Offer as the Options are being issued on the basis of one (1) free attaching Option for every three (3) Shares subscribed for and issued under the Placement. Completed Application Forms must be returned to the address set out on the Application Form, with sufficient time to be received by or on behalf of the Company by **no later than 5:00pm (WST) on the Closing Date.**

2.3 Existing Options

As at the date of this Prospectus the Company has 51,351,504 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Bonus Offer. Please refer to Section 3.4 for information on the exercise price and expiry date of the Existing Options on issue.

Holders of the Company's existing unlisted Options, including Options offered under the Placement Options Offer (**Existing Options**) will need to exercise their Existing Options by 31 October 2022 in order to participate in the Bonus Offer. Holders of Existing Options will not be entitled to participate in the Bonus Offer unless those Existing Options have been validly exercised (and resulting Shares are allotted and issued) before the Record Date.

2.4 Minimum subscription

There is no minimum subscription.

2.5 ASX listing

The Company will not apply for Official Quotation of the Options issued pursuant to this Prospectus.

2.6 Issue of Bonus Options

As noted in Section 2.1, **no application form** is required, and the Bonus Options issued under this Prospectus will be issued in accordance with the ASX Listing Rules and timetable set out at Section 1.

Holding statements for the Bonus Options issued under the Bonus Offer will be mailed as soon as practicable after the issue of Bonus Options.

2.7 Overseas shareholders

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

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

The Placement Options Offer is not being extended and the Options will not be issued to investors with a registered address which is outside Australia, New Zealand, Singapore, European Union - Germany and the United Kingdom.

New Zealand

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

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

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

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

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

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

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of a financial advice provider.

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

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

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

participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

Singapore

This document and any other materials relating to the Options have not been and will not be lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document relating to the Options, may not be issued, circulated or distributed, nor may the Options be offered or sold, or be made the subject of invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act of Singapore (**SFA**), or another exemption under the SFA.

This document has been given to you on the basis that you are an existing holder of the Company's shares. In the event that you are not an existing holder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

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

European Union – Germany

This document has not been, and will not be, registered with or approved by any securities regulator in Germany or elsewhere in the European Union. Accordingly, this document may not be made available, nor may the new Shares be offered for sale, in Germany except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "**Prospectus Regulation**").

In accordance with Article 1(4) of the Prospectus Regulation, an offer of Options in each member state of the European Union is limited:

- (a) to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation);
- (b) to fewer than 150 natural or legal persons (other than qualified investors); or
- (c) in any other circumstance falling within Article 1(4) of the Prospectus Regulation.

United Kingdom

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

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

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

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

2.8 Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at <https://www.adavaleresources.com/>.

2.9 Enquiries

Any questions concerning the Offers should be directed to the Company Secretary, Leonard Math, by email to leonard@adavaleresources.com or by telephone on +61 2 8003 6733.

3. PURPOSE AND EFFECT OF THE OFFERS

3.1 Purpose of the Offers

The purpose of the Bonus Offer is to recognise the invaluable support the Company has received from its Shareholders. The Bonus Offer is an opportunity for Shareholders to participate in the development of the Company.

The Bonus Options issued pursuant to this Prospectus will be issued for nil consideration. However, the Offer will provide the Company with a potential source of additional capital if the Bonus Options are exercised in the future (being approximately \$1,525,178 where all Bonus Options are issued and exercised).

There is no certainty that any Bonus 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 Bonus Options will be used towards the continued development of the Company's existing projects undertaken by the Company in Tanzania and South Australia, and for working capital. Working capital includes but is not limited to corporate administration and operating costs.

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

Placement Options Offer

The Placement Options Offer is being made such that the relief provided under ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80 with respect to the on-sale provisions of section 707 of the Corporations Act is available.

Specifically, if the Options are issued with disclosure under this Prospectus, then the Shares issued upon the exercise of any of the Options can be on-sold within 12 months of their issue, without a disclosure document for the on-sale offer.

No funds will be raised under the Placement Options Offer (other than funds raised if the Options are subsequently exercised).

3.2 Effect of the Offers

The principal effect of the Offers, assuming all Bonus Options offered under the Prospectus are issued, will be to increase the number of Options on issue from 51,351,504 to 132,205,928.

There will be no change to the number of Shares on issue. However, if any of the Existing Options or Performance Rights are exercised prior to the Record Date, the number of Shares in the capital of the Company will increase and additional Bonus Options will be issued under the Bonus Offer.

3.3 Effect on Balance Sheet

The Options to be issued under this Prospectus will be issued for no consideration. Accordingly, there will be no immediate effect on the Company's balance

sheet. However, subsequent exercise of the Options will affect the Company's balance sheet.

The Company is unable to specify with any certainty the extent of any change to the balance sheet given the uncertainty around the number of Options that may be exercised.

3.4 Effect on capital structure

The effect of the Offers on the capital structure of the Company is set out below.

Shares

	Number
Shares currently on issue ¹	508,392,911
Shares offered pursuant to the Offers	nil
Total Shares on issue after completion of the Offers²	508,392,911

Notes:

1. Based on the total number of Shares on issue as at the date of this Prospectus.
2. There will be no change to the number of Shares on issue as a result of the Offers. However, if any of the Existing Options or Performance Rights are exercised prior to the Record Date in order for Shareholders to participate in the Bonus Offer, the number of Shares in the capital of the Company will increase.

Options

	Number
Options currently on issue	
Unlisted Options exercisable at \$0.06 on or before 31 December 2022	15,500,000
Unlisted Options exercisable at \$0.06 on or before 11 December 2022	2,000,000
Unlisted Options exercisable at \$0.15 on or before 31 January 2025	9,000,000
Unlisted Options exercisable at \$0.03 on or before 3 August 2025	5,000,000
Unlisted Options exercisable at \$0.03 on or before 22 September 2023	19,851,504
Total Options on issue as at the date of this Prospectus	51,351,504
Options offered under the Placement Options Offer exercisable at \$0.03 on or before 22 September 2023	30,015,133
Bonus Options to be issued under this Prospectus exercisable at \$0.03 on or before 22 September 2023	50,839,291
Total Options on issue after completion of the Offers¹	132,205,928

Notes:

1. Refer to Section 4.2 for the terms of the Bonus Options.

Performance Rights

	Number
Performance Rights currently on issue	17,000,000
Performance Rights offered pursuant to the Offers	Nil
Total Performance Rights on issue after completion of the Offers	17,000,000

Notes:

- The Performance Rights were granted to Directors and Executives of the Company following shareholders approval at the 2021 AGM held on 17 December 2021. The total Performance Rights on issue comprises of three Classes.
 - 5,750,000 Class A Performance Rights expiring 30 June 2023 and will vest upon the Company achieving and maintaining a share price of \$0.15c or more for a continuous period of 5 trading days on or before 30 June 2023.
 - 9,250,000 Class B Performance Rights expiring on 31 December 2023 and will vest upon the Company announcing a Maiden JORC (2012) Inferred Resource of at least 1 Mt of Ni at a minimum grade of 1.5% Ni on the Kabanga Jiani Nickel Project on or before 31 December 2023.
 - 2,000,000 Class C Performance Rights expiring on 31 December 2023 and will vest upon the Company announcing a Maiden JORC (2012) Inferred Resource of at least 5Mlbs of U3O8 at a minimum grade of 300ppm U3O8 on the South Australian Uranium Project on or before 31 December 2023.

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

3.5 Directors' Interests in Securities

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

Director	Shares	Options	Performance Rights
Mr David Riekie	4,833,334 ¹	2,111,111 ²	3,700,000 ³
Mr Grant Pierce	4,405,863 ⁵	2,188,870 ⁶	3,200,000 ⁴
Mr John Hicks	4,286,287 ⁷	2,057,151 ⁸	3,200,000 ⁴

Notes:

- Held directly by Mr Riekie, and indirectly by Mr Riekie through Wilhaja Pty Ltd as Trustee for the Riekie Family A/C (a company which Mr Riekie is a director and beneficiary), Riekie Superannuation Pty Ltd < Superfund A/C > (a fund which Mr Riekie is a beneficiary) and Equity Plan Services Pty Ltd (a trust which Mr Riekie is a beneficiary).
- Comprising 2,000,000 unlisted Options exercisable at \$0.15 each on or before 13 January 2025 and 111,111 unlisted Options exercisable at \$0.03 each and expiring on 22 September 2023.
- Comprising 1,500,000 Performance Rights expiring on 30 June 2023 and 2,200,000 Performance Rights expiring on 31 December 2023.
- Comprising 1,000,000 Performance Rights expiring on 30 June 2023 and 2,200,000 Performance Rights expiring on 31 December 2023.

5. Held directly by Mr Pierce and indirectly by Mr Pierce through Equity Plan Services Pty Ltd (a trust which Mr Pierce is a beneficiary).
6. Comprising 2,000,000 unlisted Options exercisable at \$0.15 each on or before 13 January 2025 and 188,870 unlisted Options exercisable at \$0.03 each and expiring on 22 September 2023.
7. Held indirectly by Mr Hicks through Nambour Valley Pty Ltd <Nordes Family A/C> (a company in which Mr Hicks is a director) and Equity Plan Services Pty Ltd (a trust which Mr Hicks is a beneficiary).
8. Comprising 2,000,000 unlisted Options exercisable at \$0.15 each on or before 13 January 2025 and 57,151 unlisted Options exercisable at \$0.03 each and expiring on 22 September 2023.

3.6 Director Entitlement to Bonus Options

Company Directors, Messrs David Riekie, Grant Pierce and John Hicks, will be offered Bonus Options under the Offer for the following amounts:

- (a) David Riekie – 483,333 Bonus Options;
- (b) Grant Pierce – 440,586 Bonus Options; and
- (c) John Hicks – 428,628 Bonus Options.

3.7 Details of Substantial Holders

Based on publicly available information as at the date of this Prospectus, there are no persons which (together with their associates) have a relevant interest in 5% or more of the Shares.

3.8 Lead Manager

There is no lead manager in relation to the Offers, however, Discovery Capital Pty Ltd acted as lead manager to the Placement and were paid a fee of 6% of funds raised under Placement. Further information on the lead manager and the fees paid by the Company are set out in the Prospectus dated 29 July 2022.

4. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

4.1 Rights and liabilities attaching to Shares

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

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

(a) General meetings

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

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

(b) Voting rights

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

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

(c) Dividend rights

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

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as

against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

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

(d) **Winding-up**

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

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

(e) **Shareholder liability**

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

(f) **Transfer of shares**

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

(g) **Future increase in capital**

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

(h) **Variation of rights**

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

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

(i) **Alteration of constitution**

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

4.2 Terms of Options

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.03 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00pm pm (WST) on 22 September 2023 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period 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.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

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

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

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

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

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the 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.

(k) **Change in exercise price**

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

(l) **Transferability**

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

5. RISK FACTORS

5.1 Introduction

The Options offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free. An investment in the Company is not risk-free and the Directors strongly recommend potential investors to consider the risk factors described below, together with the information contained elsewhere in this Prospectus and to consult their professional advisers.

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

This Section 5 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

5.2 Company specific

Risk Category	Risk
Potential for dilution	<p>Upon implementation of the Offers, assuming all Options are issued under the Offers and no other Shares are issued on exercise or conversion of Options or Performance Rights prior to the Record Date, there will be no change to the number of Shares issued in the Company, however the number of Options in the Company will increase from 51,351,504 to 132,205,928.</p> <p>No immediate dilution will occur as a result of the issue of Options under this Prospectus. However subsequent exercise of any or all of the Options will result in dilution.</p> <p>It is not possible to predict what the value of the Company, a Share or an Option will be following the completion of the Offers being implemented and the Directors do not make any representation as to such matters.</p> <p>The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.030 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offers.</p>
Going Concern	<p>The Company's Financial Report for the Half-Year Ended 30 December 2021 (Financial Report) and Annual Financial Report for the year ended 30 June 2022 (Annual Report) both include a note on the financial condition of the Company and the possible existence of a material uncertainty about the Company's ability to continue as a going concern.</p> <p>The Annual Report was prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. The Group incurred a net loss from continuing operations of \$4,670,136 for the period</p>

Risk Category	Risk
	<p>ended 30 June 2022. The Group had a cash outflow from operating activities of \$4,258,370, while over the same period raised an amount of \$3,280,206 cash (net of cash costs) from placement of shares and payment of certain services by way of share issue.</p> <p>Notwithstanding the 'going concern' qualification included in the Annual Report, the Directors believe that, the Company will have sufficient funds to adequately meet the Company's current exploration commitments and short-term working capital requirements. However, it is highly likely that further funding will be required to meet the medium to long-term working capital costs of the Company.</p>
<p>Political Risks (Tanzania)</p>	<p>The Company's operations at Kabanga Jirani Nickel Project and Luhuma Nickel Project are both located in Tanzania and will be subject to the various political, economic and other risks and uncertainties associated with operating in that country. These risks and uncertainties include, but are not limited to, economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents. The Company may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity.</p> <p>Any future material adverse changes in government policies or legislation in Tanzania that affect foreign ownership, mineral exploration, development or mining activities, may affect the viability and profitability of the Company. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on exploration, development, mining production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use, local economic empowerment or similar policies, employment, contractor selection and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors adds uncertainties that cannot be accurately predicted and could have an adverse effect on the Company's operations or profitability.</p> <p>The legal systems in Tanzania may be less developed than in more established countries, which may result in risks such as political difficulties in obtaining effective legal redress in the courts whether in respect of a breach of law or regulation, or</p>

Risk Category	Risk
	<p>in an ownership dispute; a higher degree of discretion on the part of governmental agencies; the lack of political or administrative guidance on implementing applicable rules and regulations including, in particular, as regards to local taxation and property rights; inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions, or relative inexperience of the judiciary and courts in such matters.</p> <p>The commitment by local business people, governmental officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licences and agreements for the Company. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that joint ventures, licences, licence applications or other legal arrangements will not be adversely affected by the actions of the government authorities or others and the effectiveness and enforcement of such arrangements cannot be assured.</p> <p>There can be no guarantee that the Company will be able to generate a positive return for its shareholders if an event occurs in Tanzania which materially adversely affects the value of the Company, its assets and/or its business.</p>
<p>Environmental Health and Safety matters</p>	<p>The Company's mining operations will be subject to extensive Australian health and safety and environmental laws and regulations which could impose significant costs and burdens on the Company (the extent of which cannot be predicted). These laws and regulations provide for penalties and other liabilities for violation of such standards and if established, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. Permission to operate could be withdrawn temporarily where there is evidence of serious breaches of health and safety and environmental laws and regulations and even permanently in the case of extreme breaches.</p> <p>Environmental laws in Tanzania are strict. Every activity from exploration through to mining requires compliance with the regulations for environmental protections in section 81 of the Environmental Management Act, 2004. Under section 81, an Environmental Impact Assessment Report is a mandatory requirement and the outcome of the assessment may be negative. It is expected that the Company's activities will have an impact on the environment, particularly at the time of advanced exploration and any mine development.</p> <p>It is in the interest of the Company to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws, in order to minimise damage to the environment and risk of liability. It is to be expected that there are certain risks inherent to the Company's activities, such as accidental spills, leakages or other unforeseen circumstances, which could subject the</p>

Risk Category	Risk
	<p>Company to environmental liability.</p> <p>Tanzanian environmental laws are dynamic and can change over time. The Company is unable to predict the effect of additional environmental laws and regulations that may be adopted in the future. Additional laws or regulations may materially increase the Company's cost of doing business or affect its operations. The cost and complexity of complying with any additional environmental laws and regulations may prevent the Company from being able to develop potentially viable mineral deposits.</p>
<p>Coronavirus (COVID-19)</p>	<p>The impact of the coronavirus pandemic (COVID-19) is ongoing. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 (such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be implemented) that may impact the Company's operations are likely to be beyond the control of the Company. The Company confirms that it has not been materially affected by the COVID-19 pandemic to date.</p> <p>In compliance with its continuous disclosure obligations, the Company will continue to update the market in regard to the impact of COVID-19 on the Company. If any of these impacts appear material prior to close of the Offers, the Company will notify investors under a supplementary prospectus.</p>
<p>Additional requirements for capital</p>	<p>The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.</p>
<p>Exploration Costs</p>	<p>The exploration costs of the Company are based on certain assumptions with respect to method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, as a result, the actual costs may materially differ from these estimates and underlying assumptions will be realised in practice which may materially and adversely affect the Company's viability.</p>
<p>Exploration success</p>	<p>The Company's tenements in both South Australia and in Tanzania are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no</p>

Risk Category	Risk
	<p>assurance that exploration of the Company's tenements, or any other licences that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.</p>
<p>Operational Uncertainties</p>	<p>As with mining and processing operations they are subject to uncertainty with respect to (among other things) ore tonnes, mine grade, ground conditions, recovery and unanticipated metallurgical issues, mining performance, milling performance, regulatory changes, accidents and other unforeseen circumstances such as unplanned mechanical failure of plant or equipment, storms, floods, bushfires or other natural disasters. The occurrence of any of these circumstances could result in adverse production or financial performance.</p>
<p>Tenement applications and licence renewal</p>	<p>The Company cannot guarantee additional applications for tenements made by the Company will ultimately be granted, in whole or in part. Further the Company cannot guarantee that renewals of valid tenements will be granted on a timely basis, or at all.</p> <p>As announced by the Company on 14 September 2022, the Company has two Uranium Licences in South Australia, EL 5892 and EL 5893 (Licences) which are in a renewal process. The Company confirms that that renewal for the Licences has been accepted and approved by the Department and the Company is awaiting receipt of the renewal confirmations.</p> <p>As at the date of this Prospectus, all Tenements and licences held in Tanzania and South Australia are currently in good standing.</p>
<p>"Luhuma" Farm-in licences - Tanzania</p>	<p>The Company entered into a Farm-in Agreement to earn up to 100% of the Luhuma Nickel Project in Tanzania. The Company currently has the exclusive right to explore and evaluate the licenses for a period of 12 months. The licenses are subject to various milestone payments, and ongoing expenditure requirements.</p> <p>As at the date of this Prospectus, the Company is yet to earn any interest in the project. The licences are at an early stage of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. The required ongoing expenditures may not result in exploration success from the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.</p> <p>The Company is not the registered owner of the licenses and therefore the Company's ability to achieve its objectives in respect of the licenses is dependent upon it and the registered holder of the licenses complying with their obligations under the relevant earn-in agreements giving rise to the Company's interest, and on the registered holder</p>

Risk Category	Risk
	<p>complying with the terms and conditions of the licenses and any other applicable legislation.</p> <p>Any failure to comply with these obligations may result in the Company losing its interest in those licenses, which may have a material adverse effect on the Company's operations and the performance and value of the Shares.</p> <p>The Company has no current reason to believe that the registered owners of the Tenements will not meet and satisfy their respective obligations under the relevant agreements, the tenement conditions and other applicable legislation.</p> <p>There is also a risk of financial failure or default under the joint venture arrangements by a participant in any joint venture to which the Company is, or may become, a party. Any withdrawal by a joint venture party or any issues with their ability to perform the obligations due under the joint venture arrangements could have a material adverse impact on the financial position of the Company. There is also the risk of disputes arising with the Company's joint venture partners, the resolution of which could lead to delays in the Company's proposed development activities or financial loss.</p>

5.3 Industry specific

Risk Category	Risk
Environmental	<p>The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.</p> <p>Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.</p> <p>The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and</p>

Risk Category	Risk
	<p>regulations become more onerous making the Company's operations more expensive.</p> <p>Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programs or mining activities.</p>
Climate Risk	<p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:</p> <p>(a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. 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</p> <p>(b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.</p>
Mine development	<p>Possible future development of a mining operation at any of the Company's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.</p> <p>If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and</p>

Risk Category	Risk
	<p>extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its project.</p> <p>The risks associated with the development of a mine will be considered in full should the projects reach that stage and will be managed with ongoing consideration of stakeholder interests.</p>
Occupational health and safety	<p>The Company is committed to providing a healthy and safe environment for its personnel, contractors and visitors. Mining activities have inherent risks and hazards. The Company provides appropriate instructions, equipment, preventative measures, first aid information and training to all stakeholders through its occupational, health and safety management systems.</p>
Operational	<p>The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, insufficient or unreliable infrastructure such as power, water and transport, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.</p> <p>In the event that any of these potential risks eventuate, the Company's operational and financial performance may be adversely affected.</p> <p>No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.</p>
Safety	<p>Safety is a fundamental risk for any exploration and production company in relation to personal injury, damage to property and equipment and other losses. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage or destruction of property, regulatory investigation, and penalties or suspension of operations.</p> <p>Damage occurring to third parties as a result of such risks may give rise to claims against the Company.</p>
Commodity price volatility and exchange rate	<p>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</p>

Risk Category	Risk
	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.
Access	The Company's access to the tenements may be affected by landholder and pastoralist approvals, native title rights and/or the terms of native title agreements. While the Company intends to do those things necessary to minimise these risks, it cannot guarantee that the access it has to the tenements in which it has an interest will remain unfettered in the future.

5.4 General risks

Risk Category	Risk
Economic conditions and other global or national issues	<p>General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development, and production activities, as well as on its ability to fund those activities.</p> <p>Factors such as fluctuations in currencies, commodity prices, inflation, interest rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics may have an impact on the Company's exploration, development and production activities, as well as on its ability to fund those activities. The Company's future possible revenues and Share price can be affected by these factors, all of which are beyond the control of the Company or its Directors.</p>
Ukraine conflict	<p>The current conflict between Ukraine and Russia (Ukraine Conflict) is impacting global economies and financial markets. The nature and extent of the effect the Ukraine Conflict may have on the Company's operations remains uncertain at this time. In the short to medium term, the Company's Share price may be adversely affected by the economic uncertainty caused by the Ukraine Conflict and the wider effect the conflict has on global economies and financial markets.</p> <p>The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the conflict between Ukraine and Russia and overall impacts on global macroeconomics. Given the situation is continually evolving, the outcomes and consequences are inevitably uncertain.</p>
Market conditions	Share market conditions may affect the value of the Company's quoted securities regardless of the Company's

Risk Category	Risk
	<p>operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> (a) general economic outlook in both Australia and Internationally; (b) introduction of tax reform or other new legislation, regulation or policy; (c) changes in exchange rates, interest rates and inflation rates; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; and (f) the global security situation and the possibility of terrorist disturbances or other hostilities. <p>Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p>
Litigation risks	<p>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.</p> <p>The Company is not currently engaged in any litigation.</p>
Dividends	<p>Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.</p>
Taxation	<p>The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.</p>
Reliance on key personnel	<p>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</p>

Risk Category	Risk
	employees cease their employment.
Shares trading below exercise price of Bonus Options	As at the date of this Prospectus, the Company's Share price is trading at \$0.030. There is no guarantee that the Share price will be greater than the exercise price of the Options during the exercise period. Should the Share price not trade at or above the exercise price of the Options, the Options offered under this Prospectus will not have any real value.

5.5 Speculative investment

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

Prospective investors should consider that an investment in the Company is highly speculative and should consult their professional advisers.

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

6. ADDITIONAL INFORMATION

6.1 Litigation

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

6.2 Continuous disclosure obligations

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

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

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

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report on 30 September 2022 and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
30 September 2022	Date of AGM and Director Nominations
30 September 2022	Full Year Statutory Accounts

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

The announcements are also available through the Company's website www.adavaleresources.com/investor-centre/asx-announcements/.

6.3 Market price of Shares

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

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

	(\$)	Date
Highest	\$0.042	28 August 2022
Lowest	\$0.021	29 June 2022 30 June 2022
Last	\$0.030	5 October 2022

6.4 Interests of Directors

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

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

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

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (i) the Offers.

Security holdings

The relevant interest of each of the Directors in the Securities as at the date of this Prospectus is set out in Section 3.5.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$300,000 per annum.

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

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

Director	FY ending 2021/2022	Proposed FY ending 2022/2023
Grant Pierce ¹	\$45,001	\$72,000
David Riekie ²	\$90,387.10	\$150,000
John Hicks ³	\$37,419.35	\$48,000
Rod Chittenden ⁴	\$8,600	-
Stergios Georgiadis ⁵	\$6,000	-

Notes:

1. Appointed 27 August 2020. For FY2021/2022, the amount \$45,001 comprises superannuation payment of \$1,363.65.
2. Appointed on 28 July 2021 as a Non-Executive Director and transitioned to Executive Director on 1 January 2022.
3. Non-Executive Director – Appointed 7 July 2021.
4. Resigned 26 October 2021.
5. Resigned 28 July 2021.

6.5 Interests of experts and advisers

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

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or

- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

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

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

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

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

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offers. The Company estimates it will pay Steinepreis Paganin \$10,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$36,391.50 (excluding GST and disbursements) for legal services provided to the Company / not received any other fees for any other services.

6.6 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

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

- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

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

6.7 Expenses of the Offers

In the event that all Entitlements are accepted, the total expenses of the Offers are estimated to be approximately \$27,135 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	\$6,929
Legal fees	\$10,000
Printing and distribution	\$5,000
Miscellaneous	\$2,000
Total	\$27,135

6.8 Directors' Authorisation

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

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



David Riekie
Executive Director
Adavale Resources Limited

7. GLOSSARY

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

ASIC means the Australian Securities and Investments Commission.

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

ASX Listing Rules means the listing rules of the ASX.

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

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

Bonus Offer has the meaning given to that term on the cover page of this Prospectus.

Bonus Option means an Option issued under this Prospectus on the terms set out in Section 5.2.

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

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

Company means Adavale Resources Limited (ACN 008 719 015).

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

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

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

Eligible Shareholder means a Shareholder who has a registered address in Australia or New Zealand as at the Record Date who is eligible to participate in the Bonus Offer.

Exercise Price means the exercise price of the Options issued under this Prospectus, being \$0.03.

Existing Options has the meaning given by Section 2.3.

Offers means the offers made under this Prospectus as described in Section 2.

Official Quotation means official quotation on ASX.

Option means an Option to acquire a Share and includes Bonus Options and Options issued under the Placement Options Offer as the context requires

Optionholder means a holder of an Option.

Placement Options Offer has the meaning given to that term on the cover page of this Prospectus.

Prospectus means this prospectus.

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

Section means a section of this Prospectus.

Securities means Shares or Options as the context requires.

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

Shareholder means a holder of a Share.

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