



Cobre Limited

ACN 626 241 067

Prospectus

For an offer of up to 21,855,768 free attaching Options for nil consideration, on the basis of one free Option for every two Shares issued to investors under the first tranche of the Placement;

and

For an offer of up to 16,605,771 free attaching Options for nil consideration, on the basis of one free Option for every two Shares issued to investors under the second tranche of the Placement,

(together, **Placement Option Offer**);

and

For an offer of up to 3,500,000 Options, to Canaccord Genuity (Australia) Limited (**Canaccord**) (**Broker Offer**).

None of the Offers are open to the general public.

IMPORTANT INFORMATION

This Prospectus is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

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Prospectus

Important Notice

Prospectus

This Prospectus relates to the offer of Options by Cobre Limited (**Cobre** or **Company**) under the Offers.

The Offers made under this Prospectus are only being made to participants in the Placement and to Canaccord. They are not being made to the general public.

This Prospectus is dated 15 July 2024 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. The expiry date of the Prospectus is 5.00pm (Sydney time) on the date that is 13 months after the date of this Prospectus (**Expiry Date**). No Options will be granted on the basis of this Prospectus after the Expiry Date.

This Prospectus is a transaction specific prospectus for an offer of options to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and their professional advisers.

None of ASIC and ASX, and their respective officers, take any responsibility for the contents of this Prospectus or the merits of the securities to which this Prospectus relates.

ASX maintains a database of publicly available information issued by the Company as a disclosing entity. Applications for Options offered pursuant to this Prospectus can only be submitted on an Application Form.

Exposure period

No exposure period applies to this Prospectus by operation of ASIC Corporations (Exposure Period) Instrument 2016/74.

ASIC Instrument 2016/80

This Prospectus has been prepared, in part, to ensure that the relief provided under ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80 (**ASIC Instrument 2016/80**) is available in respect of the Options. ASIC Instrument 2016/80 provides relief from the on-sale provisions of section 707 of the Corporations Act and will relieve the need for any further disclosure to be made prior to the on-sale of Shares issued following the exercise of Options, within 12 months of their date on which they are granted. Shares issued on exercise of the Options will be able to be immediately traded on ASX (subject to the grant of quotation).

No cooling off rights

Cooling off rights do not apply to an investment in Options. You cannot withdraw your application once it has been accepted.

No representation other than in this Prospectus

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the 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.

Except as required by law, and only to the extent so required, neither Cobre nor any other person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Prospectus, or on the exercise of the Options granted under this Prospectus.

Prospectus does not contain investment advice

The information provided in this Prospectus is not investment advice and has been prepared without taking into account your investment objectives, financial situation or particular circumstances. It is important that you read and consider the information in this Prospectus in full before deciding to apply for Options and consider the risks that could affect the performance of Options and Shares issued on exercise of the Options.

If you have any questions, you should seek advice from your financial or other professional adviser.

Obtaining a Prospectus and Application Form

Electronic copies of this Prospectus and an online Application Form can be obtained free of charge during the offer period (as set out in the Timetable) by contacting the Company's Share Registry, Automic on 1300 288 664.

Risk Factors

Potential investors should be aware that subscribing for and exercising Options involves a number of risks. The key risk factors which investors should be aware of are set out in Section 6 of this Prospectus. These risks, together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Options, and underlying Shares, in the future.

Restrictions on Foreign Jurisdictions

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.

No action has been taken to register or qualify the Options being offered under the Offers or otherwise permit a public offering of the Options in any jurisdiction other than Australia, United Kingdom and South Africa. This Prospectus may not be distributed to or relied on by persons outside Australia, United Kingdom and South Africa.

In particular, this Prospectus, the Offers and the Options to be granted under the Prospectus have not been, and will not be, registered under the *US Securities Act of 1933* (as amended) and the Offers may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the *US Securities Act* and applicable US state securities laws.

Information for United Kingdom investors

Neither this Prospectus nor any other document relating to the offer of Options 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 Options.

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

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

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons:

- (a) 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**);
 - (b) 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
 - (c) to whom it may otherwise be lawfully communicated,
- (together, **relevant persons**).

The investment to which this Prospectus relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus.

Information for New Zealand investors

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the FMC Act. The Options are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- (a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;

- (b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- (c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- (d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act;
or
- (e) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

If you (or any person for whom you are acquiring or procuring the Options) are in New Zealand, you (and any such person):

- (a) are a person who (i) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act, (ii) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act, (iii) is large within the meaning of clause 39 of Schedule 1 of the FMC Act, (iv) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act or (v) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act (and, if an eligible investor, have provided the necessary certification);
- (b) acknowledge that: (i) Part 3 of the FMC Act shall not apply in respect of the offer of Options to you, (ii) no product disclosure statement or other disclosure document under the FMC Act may be prepared in respect of the offer of Options and (iii) any information provided to you in respect of the offer is not required to, and may not, contain all of the information that a product disclosure statement or other disclosure document under New Zealand law is required to contain;
- (c) warrant that if in the future you elect to directly or indirectly offer or sell any of the Options allotted to you, you undertake not to do so in a manner that could result in (i) such offer or sale being viewed as requiring a product disclosure statement or other similar disclosure document or any registration or filing in New Zealand, (ii) any contravention of the FMC Act or (iii) the Company or its directors incurring any liability; and
- (d) warrant that (i) any person for whom you are acquiring Options meets one or more of the criteria specified in subclause (a) above and (ii) you have received, where required, a safe harbour certificate in accordance with clause 44 of Schedule 1 of the FMC Act.

Information for South African investors

This Prospectus does not, nor is it intended to, constitute a prospectus prepared and registered under the *South African Companies Act 2008* and may not be distributed to the public in South Africa. This Prospectus has not been registered with nor approved by the South African Companies and Intellectual Property Commission.

Any offer of Options in South Africa will be made by way of a private placement to, and capable of acceptance only by, investors who fall within one of the specified categories listed in section 96(1)(a) of the *South African Companies Act*.

An entity or person resident in South Africa may not implement participation in the Offers unless:

- (a) permitted under the South African Exchange Control Regulations; or
- (b) a specific approval has been obtained from an authorised foreign exchange dealer in South Africa or the Financial Surveillance Department of the South African Reserve Bank.

Financial information and forward looking statements

Section 4 sets out in detail the financial information referred to in this Prospectus and the basis of preparation of that information.

Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.

This Prospectus contains forward looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'expects', 'intends' and other similar words that involve risks and uncertainties. Any 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. Forward looking statements should be read in conjunction with risk factors as set out in Section 6, and other information in this Prospectus.

Defined words and expressions

Some words and expressions used in this Prospectus have defined meanings. These words and expressions are capitalised and are defined throughout the Prospectus or in the Glossary in Section 8.

A reference to \$ or cents in this Prospectus is a reference to Australian currency (unless otherwise stated).

A reference to time in this Prospectus is a reference to Sydney, Australia time.

Privacy

If you apply for Options, you will provide personal information to the Company and the Share Registry. The Company and the Share Registry collect, hold and use your personal information in order to assess your application, service your needs as a Shareholder and Option holder, provide facilities and services that you request and carry out appropriate administration.

Company and tax laws require some of the information to be collected. If you do not provide the information requested, your application may not be able to be processed efficiently, or at all.

Each of the Company and the Share Registry may disclose your personal information for purposes related to your shareholding or option holding to each other and to their respective agents and services providers including those listed below or as otherwise authorised under the *Privacy Act 1988* (Cth) (**Privacy Act**):

- (a) In the case of the Company, to the Share Registry for ongoing administration of the share register.

- (b) In the case of the Company and the Share Registry, to printers and mailing houses for the purposes of preparation and distribution of Shareholder and Option holder information and for handling of mail.

Under the Privacy Act, you may request access to your personal information held by (or on behalf of) the Company or the Share Registry. You can request access to your personal information by telephoning the Company's Share Registry on 1300 288 664 between 9am-5pm (Sydney time) Monday to Friday (excluding public holidays).

1. Key Dates

The key dates in respect of the Offers are as follows.

| Event | Date (2024) |
|---|--------------------------------|
| Announcement of Placement | Monday, 4 March 2024 |
| Issue and trading of Shares under Placement Tranche 1 | Monday, 11 March 2024 |
| Dispatch of Notice of Meeting | Wednesday, 3 July 2024 |
| Lodgement of Prospectus in connection with the Offers | Monday, 15 July 2024 |
| Offers open (Opening Date) | Tuesday, 16 July 2024 |
| Offers close (Closing Date) | Tuesday, 23 July 2024 (5.00pm) |
| Extraordinary General Meeting | Tuesday, 6 August 2024 |
| Settlement of Placement Tranche 2* | Thursday, 8 August 2024 |
| Allotment of Shares under Placement Tranche 2* | Friday, 9 August 2024 |
| Allotment of Options* | Friday, 9 August 2024 |
| Trading of Shares issued under Placement Tranche 2 | Monday, 12 August 2024 |

Cobre reserves the right to vary these times and dates (other than in respect of events that have already occurred) in its absolute discretion by sending a revised timetable to ASX. All times are Sydney times. Cobre also reserves the right to accept late applications at its discretion.

2. Corporate Directory

| | |
|--|--|
| Directors Mr Martin Holland (Executive Chairman) Dr Ross McGowan (Non-Executive Director) Mr Michael McNeilly (Non-Executive Director) Mr Michael John Addison (Non-Executive Director) Mr Andrew Sissian (Non-Executive Director) | Registered Office Level 10, Kyle House, 27 Macquarie Place, Sydney NSW 2000 Telephone: (+61) 407 123 143 Email: info@cobre.com.au Website: https://www.cobre.com.au/ |
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|--|---|
| Company Secretary Mr Justin Clyne | Chief Executive Officer Mr Adam Wooldridge |
| Share Registry Automic Group Level 5, 126 Phillip Street Sydney NSW 2000 Tel: 1300 288 664 www.automicgroup.com.au | Legal Adviser HWL Ebsworth Lawyers Level 14 Australia Square, 264-278 George Street Sydney NSW Australia 2000 GPO Box 5408 Sydney NSW 2001 |
| Auditor Ernst & Young The EY Centre Level 34, 200 George Street Sydney NSW 2000 | ASX Code CBE |

3. Details of the Offers

3.1 Background

On 4 March 2024, Cobre announced a capital raising, through the issue of Shares and potential granting of Options, on the following basis:

- (a) The capital raising is being conducted through a two-tranche Placement that was offered to professional and sophisticated investors to raise approximately \$4,000,000 (before costs) through the issue of 76,923,077 Shares at a price of \$0.052 per Share (**Placement**).
- (b) The first tranche of the Placement utilised the Company's existing placement capacity under ASX Listing Rules 7.1 and 7.1A, and was completed on 11 March 2024, raising approximately \$2,273,000 (before costs) through the issue of 43,711,535 Shares (**Placement Tranche 1**).
- (c) It is proposed that the second tranche of the Placement will raise approximately \$1,727,000 (before costs) through the issue of 33,211,542 Shares to Strata Investment Holdings Plc (**Strata Investment**), the Company's largest Shareholder, and certain other parties (**Placement Tranche 2**). Placement Tranche 2 is conditional upon Shareholder approval being obtained, through a number of proposed resolutions, at the Company's Extraordinary General Meeting that is scheduled to be held on Tuesday, 6 August 2024 (**EGM**).
- (d) Shares issued under the Placement have been offered with free attaching Options, on the basis of one free Option for every two Shares issued to investors under the Placement, comprising:

- (i) approximately 21,855,768 Options (subject to rounding) to be offered to participants in Placement Tranche 1 (**Tranche 1 Options**); and
- (ii) approximately 16,605,771 Options (subject to rounding and number of Shares that will be finally issued under Placement Tranche 2) to be offered to participants in Placement Tranche 2 (**Tranche 2 Options**).
- (e) An offer of 3,500,000 Options in consideration for services provided to the Company by Canaccord Genuity (Australia) Limited (**Canaccord**), in part-payment of the lead manager services provided in connection with the Placement (**Broker Offer**).
- (f) The Options will have an exercise price of \$0.078 per Share and will expire on the third anniversary of the date on which they are granted.
- (g) The Options offered under the Placement will not be listed.

3.2 Placement Option Offer

Investors under the Placement (**Placement Subscribers**) have been offered one free attaching Option, for nil consideration, for every two Shares issued to each investor under the Placement.

The offer of Options to Placement Subscribers (the **Placement Option Offer**) is being made in this Prospectus and will result in up to 38,461,539 Options being granted to the Subscribers.

Tranche 1 Options and Tranche 2 Options will be granted to Placement Subscribers subject to the following conditions:

- (a) That the Company has sufficient capacity under Listing Rule 7.1 to grant the Options or the Options are otherwise approved by the Shareholders at the EGM; and
- (b) in respect of certain Tranche 2 Options proposed to be granted to Strata Investment and certain directors of the Company (or their nominees), that the relevant Shareholder approvals are obtained at the EGM.

The issue of the following Shares under Placement Tranche 2 (and accordingly, the grant of the respective Tranche 2 Options) are subject to Shareholder approvals to be considered at the upcoming EGM:

- (a) Strata Investment - 15,384,616 Shares and 7,692,308 Options;
- (b) Martin Holland, Executive Chairman, or his nominee - 7,692,308 Shares and 3,846,154 Options;
- (c) Michael Addison, Non-executive Director, or his nominee - 2,884,616 Shares and 1,442,308 Options;
- (d) Michael McNeilly, Non-executive Director, or his nominee - 1,442,308 Shares and 721,154 Options; and

- (e) Andrew Sissian, Non-executive Director, or his nominee - 480,770 Shares and 240,385 Options,

(each a **Related Party Issue**).

3.3 **Broker Offer**

Canaccord has been offered 3,500,000 Options in part-payment for services provided by it in connection with the Placement (**Broker Options**).

The offer of Broker Options to Canaccord is:

- (a) conditional on the Company having sufficient capacity under Listing Rule 7.1 to grant the Broker Options or otherwise approved by the Shareholders at the EGM; and
- (b) being made in this Prospectus.

3.4 **The Offers and Subscribers**

The Placement Option Offer and Broker Offer together comprise the **Offers**.

Placement Subscribers and Canaccord are referred to as the **Subscribers**.

3.5 **Conditional Offers**

The grant of Tranche 1 Options and Tranche 2 Options to Placement Subscribers are conditional on:

- (a) the Placement Subscribers' subscription of Shares under the Placement (noting that Tranche 1 Placement has already been completed); and
- (b) either:
 - (i) the Company having sufficient capacity under ASX Listing Rule 7.1 to grant the Options; or
 - (ii) it is otherwise approved by the Shareholders at the EGM.

At the EGM, the Company has sought Shareholders' approval to ratify the issue of Shares under Tranche 1 Placement, as well as Shareholders' approval to approve the granting of Tranche 1 Options and Tranche 2 Options such that the Company does not need to utilise its existing capacity to grant the Options.

With the exception of Related Party Issues, the granting of Tranche 1 Options and Tranche 2 Options are not subject to any Shareholders' approval, as the Company will proceed with the grants if Shareholders do not approve those grants but if the Company nevertheless has the capacity to do so under ASX Listing Rule 7.1.

Similarly, the grant of Broker Options is conditional on either:

- (a) the Company having sufficient capacity under ASX Listing Rule 7.1 to grant the Broker Options; or
- (b) it is otherwise approved by the Shareholders at the EGM.

While the Company is seeking Shareholders' approval at the EGM to grant the Options under the Broker Offer, in the event that Shareholders' approval is not obtained but if the Company nevertheless has the capacity to do so under ASX Listing Rule 7.1, the Company will proceed to grant those Options.

3.6 No general public offer

There is no general public offer of Options under this Prospectus. The Placement Option Offer is only open to Placement Subscribers.

The Broker Offer is only open to Canaccord.

3.7 Terms of Options

Each Option offered under this Prospectus will have the same terms. The Options will be unlisted, have an exercise price of \$0.078 and expire three years from their date of being granted.

Upon exercise, each Option will entitle the holder to one ordinary fully paid Share. The terms of issue of the Options are set out in Section 5.1 below.

3.8 Ranking of Shares on exercise of Options

All of the Shares issued upon the future exercise of the Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 5.2 for further information regarding the rights and liabilities attaching to the Shares.

3.9 Minimum and maximum subscription

There is no minimum subscription under any of the Offers.

No person may apply for (and Cobre will not grant) Options under any of the Offers in excess of the person's entitlement to Options (either under the Placement Option Offer or the Broker Offer).

3.10 Consideration payable

The Options offered under this Prospectus will be granted to the Subscribers for nil cash consideration. Accordingly, the Company will not raise any proceeds by the granting of Options under this Prospectus.

3.11 **Non-renounceable Offer**

The Offers are non-renounceable. Accordingly, a Subscriber may not sell or transfer all or part of their entitlement to subscribe for Options.

3.12 **Rounding**

In the event that a person is entitled to a fraction of an Option, that fractional entitlement will be rounded up to the nearest whole figure.

3.13 **Lead manager**

The Placement was managed by Canaccord. The Placement was not underwritten.

Apart from the Broker Options, Canaccord is entitled to a 2% management fee on gross proceeds and a 4% capital raising fee on proceeds from parties introduced by Canaccord.

3.14 **Offer Period**

Each of the Offers will open on 16 July 2024 (**Opening Date**).

Applications for Options under the Offers close on 23 July 2024 (**Closing Date**).

The Opening Date and Closing Date for the Offers are indicative only and subject to change without notice. The Company may vary these dates, including to close the Offers early or extend the Closing Date, at any time prior to the granting of Options under the Offers.

If any of the dates are changed, subsequent dates may also change. You are encouraged to lodge your Application Form as soon as possible after the Opening Date.

3.15 **How to apply for Options**

If you are eligible to subscribe for Options pursuant to the Placement Option Offer or Broker Offer and wish to subscribe, please complete an Application Form (which will be provided to you by the Company, Canaccord or the Share Registry).

If the number of Options subscribed for is more than the number of Options to which the relevant Subscriber is entitled under the Offer, Cobre reserves the right to reject the application and not allot any Options to the Subscriber, or accept it in respect of the lesser number of Options to which the Subscriber is entitled. Once an application has been made it cannot be revoked. No notice of acceptance of an application will be provided.

Completed Application Forms must be received, in accordance with the instructions on the Application Form, by no later than the Closing Date.

3.16 Withdrawal

Subject to the Corporations Act, the ASX Listing Rules and any other requirements of ASX or the law, the Directors may decide to withdraw this Prospectus and the Offers at any time prior to the allotment of Options or to waive strict compliance with any provision of the terms and conditions of the Offers.

3.17 Underwriting

The Offers are not underwritten.

3.18 ASX quotation

The Company will not apply to ASX for quotation of the Options and accordingly the Options will be unlisted.

The Company will apply for quotation of the Shares issued on exercise of the Options in accordance with the terms of issue of the Options (see Section 5.1).

The fact that ASX may grant official quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares.

3.19 Allotment and Option holding statements

The Company anticipates issuing Options subscribed for under the Offers on or around Friday, 9 August 2024.

Holding statements for Options granted under the Offers will be mailed as soon as reasonably practicable after the Options are granted.

3.20 Enquiries

Any questions concerning the Offers should be directed to the Company on (+61) 407 123 143.

4. Purpose and Effect of the Offers

4.1 Purpose of the Offers

The Offers are being made in accordance with the Company's announced intention to offer free attaching Options to Subscribers under the Placement, and its obligation to offer Options to Canaccord under the Broker Offer.

No funds will be raised from the Offers.

4.2 **Effect of the Offers on issued securities and funds raised**

The principal effect of the Offers, assuming all Options offered under the Prospectus are subscribed for and granted, will be to grant a total of 41,961,539 Options.

In the event that:

- (a) all of the Tranche 1 Options are granted and exercised, the Company will raise a total of approximately \$1,704,750 by the issue of approximately 21,855,768 Shares;
- (b) all of the Tranche 1 Options and Tranche 2 Options are granted and exercised, the Company will raise a total of approximately \$3,000,000 by the issue of approximately 38,461,539 Shares; and
- (c) all of the Tranche 1 Options, Tranche 2 Options and Broker Options are granted and exercised, the Company will raise a total of approximately \$3,273,000 by the issue of approximately 41,961,539 Shares.

4.3 **Use of proceeds raised from the exercise of Options**

As noted in Section 4.2, the granting and exercise of all of the Options offered under this Prospectus would involve the Company raising a total of \$3,273,000.

Subject to when the Options are exercised, the Company intends to use the proceeds of the exercise of the Options to accelerate exploration on the Company's tenement holding in the Kalahari Copper Belt in Botswana or, otherwise, for general working capital purposes.

4.4 **Pro-forma Balance Sheet**

This section contains a summary of the historical financial information for the Company as at 31 December 2023 (**Historical Financial Information**) and a pro-forma historical statement of the financial position as at 31 December 2023 (**Pro Forma Historical Financial Information**) (collectively, **Financial Information**).

The Financial Information has been prepared to illustrate the effect of the Placement.

| | 31-Dec-23 Reviewed | Tranche 1 | Tranche 2 | Proforma Total |
|--|-------------------------------|------------------|------------------|---------------------------|
| Assets | | | | |
| Current assets | | | | |
| Cash and cash equivalents | 1,929,779 | 2,137,686 | 1,461,125 | 5,528,590 |
| Trade and other receivables | 242,510 | | | 242,510 |
| Other | 55,653 | | | 55,653 |
| Total current assets | 2,227,942 | 2,137,686 | 1,461,125 | 5,826,753 |
| Non-current assets | | | | |
| Property, plant and equipment | 1,802 | | | 1,802 |
| Exploration and evaluation | 26,302,886 | | | 26,302,886 |
| Investments accounted for using equity method | 396,622 | | | 396,622 |
| Financial asset at fair value through other comprehensive income | 473,314 | | | 473,314 |
| Other | 20,000 | | | 20,000 |
| Total non-current assets | 27,194,624 | - | 0 | 27,194,624 |
| Total assets | 29,422,566 | 2,137,686 | 1,461,125 | 33,021,377 |
| Liabilities | | | | |
| Current liabilities | | | | |
| Trade and other payables | 969,035 | | | 969,035 |
| Total current liabilities | 969,035 | - | 0 | 969,035 |
| Total liabilities | 969,035 | 0 | 0 | 969,035 |
| Net assets | 28,453,531 | 2,137,686 | 1,461,125 | 32,052,342 |
| Equity | | | | |
| Issued capital | 40,903,253 | 2,058,218 | 1,426,815 | 44,388,286 |
| Reserves | 1,521,172 | 79,468 | 34,310 | 1,634,950 |
| Accumulated losses | 13,970,894 | | | -13,970,894 |
| Total equity | 28,453,531 | 2,137,686 | 1,461,125 | 32,052,342 |

4.5 Basis of preparation of financial information

The stated basis of preparation for the Historical Financial Information is in accordance with the recognition and measurement principles of the Australian Accounting Standards.

The stated basis of preparation for the Pro Forma Historical Financial Information is in a manner consistent with the recognition and measurement principles of the Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in Section 4.6, as if those events or transactions had occurred as at 31 December 2023.

4.6 Pro-forma adjustments to consolidated balance sheet

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information and has been prepared on the basis that the Placement occurred as at 31 December 2023 and assumes an allotment of 76,923,077 Shares at the price of \$0.052 to raise gross proceeds of \$4,000,000 (before costs).

4.7 Effect on control

The Offers will not have a material impact on the control of the Company (as defined in section 50AA of the Corporations Act).

The maximum number of Options proposed to be granted under the Offers is 41,961,539 Options.

Assuming that all Shares are issued under the Placement, a total of 364,344,321 Shares will be on issue and the Options granted will represent 11.52% of the total number of Shares on issue at the time of granting of the Options.

4.8 Substantial holders

Based on the Company's share register as at 1 July 2024, the persons who (together with their associates) have a relevant interest in 5% or more of the Company's securities are set out below:

| Shareholder | Shares | % |
|---------------------------------|------------|--------|
| Strata Investment Holdings PLC* | 74,239,819 | 22.42% |

*Subject to Shareholders' approval, Strata Investment Holdings PLC is proposing to acquire a further 15,384,616 Shares under Tranche 2 Placement, resulting in a total of 89,624,435 Shares held, representing a total relevant interest in 24.60% of the Company's securities (assuming all shares under Placement Tranche 2 are issued).

4.9 Effect on Capital Structure

Assuming the requisite Shareholder approvals at the EGM and the subsequent completion of the issue of Shares and Options under the Offers, the capital structure of the Company will comprise:

| Shares | |
|---|-------------|
| Shares on issue at the date of this Prospectus | 331,132,779 |
| Shares to be issued under the Placement Tranche 2 | 33,211,542 |
| Shares on issue at completion of the Offers | 364,344,321 |

| Options | | |
|---|-------------------|--|
| | Number | % of total options granted after completion of Offers |
| Unlisted options exercisable at \$0.20 expiring 24 September 2024 | 12,613,500 | 15.87% |
| Unlisted options exercisable at \$0.33 expiring 8 December 2025 | 1,000,000 | 1.25% |
| Unlisted options exercisable at \$0.335 expiring 30 November 2024 | 2,500,000 | 3.14% |
| Unlisted options exercisable at \$0.335 expiring 6 April 2026 | 11,500,000 | 14.45% |
| Unlisted options exercisable at \$0.066 expiring 21 November 2028 | 10,000,000 | 12.56% |
| Granted Options at the date of this Prospectus (Subtotal): | 37,613,500 | 47.27% |
| Options to be granted under the Offers | 41,961,539 | 52.73% |
| Options granted at completion of the Offers | 79,575,039 | 100.00% |

4.10 Dilution

The granting of Options will not result in any dilution to Shareholders, but the issue of Shares upon exercise of Options will result in dilution of Shareholders (other than the Shareholder who exercised the Options).

On the basis of the number of issued Shares at the Prospectus Date, the granting and subsequent exercise of the Options offered under the Offers will increase the current

331,132,779 Shares on issue to 373,094,318 Shares (an increase of 12.67%), assuming no other Options are exercised.

5. Rights and Liabilities attaching to Securities

5.1 Options

Each option (**Option**) granted by the Company entitles its holder to subscribe for one fully-paid ordinary share in the capital of the Company (**Share**) on the following terms and conditions:

- (a) The Options are exercisable at \$0.078 each, at any time after their grant up to 5pm Sydney time on the third anniversary of the date of their issue, but not thereafter (**Option Exercise Period**). Each Option will automatically lapse if not exercised prior to expiry of the Option Exercise Period.
- (b) Each Option entitles the holder to subscribe for, and be issued with, one Share.
- (c) The Company will not apply for quotation of the Options on ASX. The Company will apply for quotation of the Shares issued on exercise of the Options.
- (d) The Company must give or cause to be given to each Option holder a certificate or holding statement stating:
 - (i) the number of Options granted to the Option holder;
 - (ii) the exercise price of the Options; and
 - (iii) the date of granting of the Options and the Option Exercise Period.
- (e) The Company, through its Share Registry, will maintain a register of holders of Options in accordance with section 168(1)(b) of the *Corporations Act 2001* (Cth).
- (f) The Options are freely transferable, subject to registration of the transfer by the Company.
- (g) For such time as the Company is listed, the official listing rules of ASX (**Listing Rules**) will apply to the Options.
- (h) Options do not carry any dividend entitlement until they are exercised. Subject to the Constitution, Shares issued on exercise of Options will rank equally with all other issued Shares from the date they are issued by the Company.
- (i) An Option holder is not entitled to participate in any new issue of securities to existing shareholders of the Company (**Shareholders**) unless the Option holder has exercised its Options before the record date for determining entitlements to the new issue of securities and participates as a result of holding Shares.

- (j) If the Company is listed on ASX, the Company must give the Option holder, if required to do so by the Listing Rules, notice of:
 - (i) the proposed terms of the issue or offer proposed under paragraph 5.1(i); and
 - (ii) the right to exercise the Option holder's Options under paragraph 5.1(i).
- (k) If the Company makes a bonus issue of Shares or other securities to Shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and no Share has been issued in respect of an Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the Option is exercisable is 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 determining entitlements to the issue, in accordance with the Listing Rules.
- (l) If the Company makes a pro rata issue of Shares (except a bonus issue) to existing Shareholders (except an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the Option before the record date for determining entitlements to the issue, the Company may elect to reduce the exercise price of each Option in accordance with the Listing Rules.
- (m) If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Option holder (including the number of Options to which each Option holder is entitled and the exercise price) is changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- (n) Any calculations or adjustments which are required to be made under these Option Terms of Issue will be made by the Board and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Option holder.
- (o) The Company must within a reasonable period give to each Option holder notice of any change under paragraphs 5.1(k) to 5.1(m) (inclusive) to the exercise price of any Options held by an Option holder or the number of Shares for which the Option holder is entitled to subscribe on exercise of the Options.
- (p) When exercising Options, an Option holder must give the Company or its share registry a Notice of Exercise of Options Form (in a form approved by the Company, with the parties acknowledging that the Notice of Exercise of Options Form may be delivered by the Option holder to the Company by email), together with payment of the exercise monies payable to the Company in connection with the Options being exercised and, if one was issued, the Option holder certificate.
- (q) The Options are exercisable on any day other than a Saturday, Sunday public holiday or any other day that ASX declares is not a business day (**Business Day**) during the Option Exercise Period.

- (r) An Option holder must only exercise a minimum of 50,000 Options, and thereafter in multiples of 50,000, unless an Option holder exercises all of its Options.
- (s) If an Option holder exercises less than the total number of its Options, the Company must issue the Option holder a new holding statement for the remaining number of Options held by the Option holder.
- (t) Options will be deemed to be exercised on the date that the Notice of Exercise of Option Form is received by the Company in accordance with paragraphs 5.1(p) and 5.1(q). The Company shall within 10 Business Days after the receipt of such Notice and cleared funds, issue Shares in respect of the Options exercised and dispatch a holding statement to the holder in respect of the Shares so issued.
- (u) The Company will apply to ASX for official quotation of the Shares issued on exercise of the Options on the date of issue of such Shares.
- (v) If required by the Listing Rules to do so, the Company will advise an Option holder before the impending expiry of their Options and will advise the due date for payment, the amount of money payable on exercise, the consequences of non-payment and such other details as the Listing Rules then prescribe, so as to enable holders to determine whether or not to exercise their Options during the Option Exercise Period.
- (w) These Option Terms of Issue and the rights and obligations of Option holders are governed by the laws of New South Wales. Each Option holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales and the Federal Court of Australia and any courts that may hear appeals from those courts about any proceedings in connection with these Options.

5.2 Shares

A summary of the key rights attaching to the Shares is set out below. The provisions of the Constitution relating to the rights attaching to the Shares must be read subject to the Corporations Act, the ASX Listing Rules, ASX Settlement Operating Rules and other applicable laws. This summary is not intended to be exhaustive and does not constitute a definitive statement of the rights, liabilities and restrictions attaching to the Shares.

(a) General meetings

Pursuant to the Company's Constitution, any person entered on the Company's register of members (each a **Member**), is entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company. Members are entitled to receive notice of and to attend general meetings of the Company and to receive all notices, financial reports and other documents required to be sent to Shareholders under the Constitution, the Corporations Act or the ASX Listing Rules. The notice must state the general nature of business and any other matters required by the constitution, the Corporations Act or the ASX Listing Rules.

Members may requisition meetings in accordance with the Corporations Act.

(b) **Voting rights**

Subject to the Constitution, Corporations Act and other relevant laws, and to any rights or restrictions attaching to any class of shares, the Shareholders may vote at meetings of shareholders as follows:

- (i) on a show of hands, each shareholder has one vote; and
- (ii) on a poll, each shareholder has one vote for each fully paid Share, and for each partly paid Share, a Shareholder will have a fraction of a vote equivalent to the proportion that the amount paid on the Share bears to the total issue price of that Share.

A resolution put to the vote at a meeting of Shareholders must be decided on a show of hands unless a poll is demanded.

A Shareholder is not entitled to vote unless all calls due and payable in respect of their Shares have been paid.

If a Share is held jointly, and more than one Shareholder votes in respect of that Share, then only the vote of the Shareholder whose name appears first in the register of Shareholders will count.

(c) **Dividend rights and dividend policy**

The Board may declare or pay dividends as it sees fit.

If the Board declares or determines that a dividend is payable, it may fix the amount, time for payment and method for payment. The methods for payment may include payment of cash, issue of shares and the transfer of assets.

(d) **Winding-up**

If the Company is wound up, the liquidator may, by special resolution passed by the Shareholders:

- (i) divide among the shareholders the Company's assets, whereby the liquidator will determine how to carry out the division of those assets between Shareholders; and/or
- (ii) vest all or any of the Company's assets in a trustee on trusts determined by the liquidator for the benefit of the Shareholders and other contributories.

(e) **Transfer of Shares**

Subject to the Constitution, a shareholder may transfer any or all of their shares. A person transferring any of their shares remains the holder of those shares until the Company registers the transfer and the name of the person to whom those shares are sold is recorded in the Company's register of shareholders.

The Board:

- (i) may, in their absolute discretion, decline to register a transfer of shares, in any circumstances permitted by the Corporations Act, ASX Settlement Rules or other relevant law; and
- (ii) must decline to register a transfer of shares that are Restricted Securities during the relevant period within which they are restricted from being transferred, except as permitted by the ASX Listing Rules or ASX.

The Board may suspend registration of transfers of shares in the Company at the times and for the periods they determine. The periods of suspension must not exceed 30 days in any one calendar year.

(f) **Issues of shares**

Subject to the Constitution, the Corporations Act, ASX Listing Rules and any special rights conferred on the holders of any existing shares or class of shares:

- (i) shares in the Company may be issued or otherwise disposed of by the Board in the manner that the Board thinks fit; and
- (ii) any shares may be issued with preferred, deferred or other special rights or restrictions and on terms and conditions as the Board determines.

(g) **Variation of rights**

Subject to the ASX Listing Rules, if at any time the share capital of the Company is divided into different classes of shares, the rights that are attached to the shares in a class of shares may, unless their terms of issue state otherwise, be varied or cancelled:

- (i) with the written consent of holders of shares in that class, who hold at least 75% of the votes in that class; or
- (ii) with the sanction of a special resolution passed at a meeting of holders of shares in that class.

(h) **Application of ASX Listing Rules**

If the ASX Listing Rules prohibit an act being done, then the act must not be done. Nothing in the Constitution prevents an act being done that the ASX Listing Rules require to be done. If the ASX Listing Rules require an act to be

done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the ASX Listing Rules require a constitution to contain a provision or not to contain a provision, the Constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the Constitution is or becomes inconsistent with the ASX Listing Rules, the Constitution is deemed not to contain that provision to the extent of that inconsistency.

6. Risk Factors

The business activities of the Company are subject to risks and there are many risks which may impact on the Company's future performance. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but many are outside of the control of the Company and cannot be mitigated. There are also general risks associated with any investment. Investors should consider all of these risks before they make a decision whether or not to acquire, and exercise, Options.

The Options offered under this Prospectus are considered speculative. An investment in the Company is not risk free and the Directors strongly recommend that potential investors consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding to apply for Options pursuant to this Prospectus.

The principal risk factors include, but are not limited to, the following.

6.1 Company-specific risks

(a) Exploration and Development

A risk for the Company is that the proposed exploration programs may not result in exploration success. Mineral exploration, by its nature, is a high-risk endeavour and consequently, there can be no assurance that exploration of any of the Company's current and future project areas will result in discovery of an economic mineral deposit. Should a discovery be made, there is no guarantee that it will be commercially viable.

Only a small percentage of individual exploration projects result in the discovery of viable economic resources and there are still development and operational risks to overcome before a commercial mine can be established. A variety of factors, both geological and market related, can cause a technical discovery to be uneconomic.

If mineralisation is discovered, it may take several years of additional exploration and development until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable reserves through drilling and scoping studies, to determine the optimal production process and to finance and construct mining and processing facilities.

At each stage of exploration, development, construction and mine operation, various permits and authorisations are required. Applications for most permits require significant amounts of management time, and the expenditure of substantial capital for engineering, legal, environmental, social and other activities. At each stage of a project's life, delays may be encountered because of permitting difficulties. Such delays add to the overall cost of a project, and may reduce its economic feasibility. As a result of these uncertainties, there can be no assurance that any mineral exploration and development undertaken by the Company, or its subsidiaries, will result in profitable commercial production.

(b) **Potential for Dilution**

In the future, the Company may elect to issue Shares or other securities. While the Company will be subject to the constraints of the ASX Listing Rules regarding the issue of Shares or other securities, shareholders may be diluted as a result of such issues of Shares or other securities.

(c) **Development and Acquisition Opportunities**

The success of the Company will depend not only on its ability to explore and develop its existing project portfolio, but also on the Company's ability to identify, secure and develop a portfolio of high quality projects, suitable assets, additional exploration acreage and strategic industry partnerships. The Company will actively pursue and assess other new business opportunities which may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits and/or direct equity participation or acquisition of a company or group of companies.

There is a risk that the Company will be unable to secure such opportunities or divest non-core assets at attractive valuations on appropriate terms, thereby potentially limiting the growth of the Company. The acquisition of projects (whether completed or not) may require the payment of monies (notably as a deposit and/or exclusivity fee), after only limited due diligence or prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company.

If the Company acquires only a limited number of projects, poor performance by one or a few of these could significantly affect the performance of the Company and thereby significantly impact the returns to investors. The integration of new projects by the Company may also be more difficult, and involve greater costs, than anticipated.

(d) **Future Capital Requirements**

Exploration and development costs will reduce the cash reserves of the Company. The Company has no operating revenue and is unlikely to generate any operating revenue unless and until the projects are successfully developed

and production commences. The future capital requirements of the Company will depend on many factors, including its business development activities.

In order to successfully develop the projects, and for production to commence, the Company may be dependent on the need to secure further financing in the future, in addition to the amounts raised pursuant to the Placement. The Company may then be seeking development capital through equity, debt, joint venture financing or through the sale or possible syndication of its mineral properties. Any additional equity financing may be dilutive to the Shares, may be undertaken at lower prices than the then-market price (or exercise price of the Options), or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may also involve restrictions on financing and operating activities.

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

The Company may undertake additional offerings of Shares and/or securities convertible into Shares in the future. The increase in the number of Shares issued and the possibility of sales of such Shares may have a depressive effect on the price of Shares and reduce their value to investors. In addition, as a result of such additional Shares, the voting power of the Company's existing shareholders will be diluted. At present, it is impossible to determine what amounts of additional funds, if any, may be required in future.

(e) Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on the efforts and ability of senior management, executive officers and the Directors. Investors must be willing to rely to a significant extent on the discretion and judgment of these key personnel. The loss of the services of any of these key personnel could cause a significant disruption to the Company and could have a material adverse effect on its business operations and prospects, which could result in a failure to meet business objectives. There is no assurance the Company can maintain the services of its Directors, officers or other qualified personnel required to operate its business.

(f) Major Shareholder

Subject to Shareholders' approval to be obtained in the EGM, the Company's largest Shareholder, Strata Investment Holdings Plc, is expected to beneficially own up to 25.86% of the total Shares following subscription to Tranche 2 Placement. The Shareholder will be able to exercise a degree of influence over

matters requiring shareholder approval, including election of Directors and significant corporate transactions. The concentration of ownership may have the effect of deterring or delaying any change in control of the Company, could have an impact on any potential sale of the Company or may affect the value of Shares. The major Shareholder may sell all or part of its holdings of Shares in the future. Any such sale may adversely affect the value of Shares.

(g) Other Risks Specific to the Company

The current and future operations of the Company, including exploration, appraisal and possible production activities may be affected by a range of factors, including:

- (i) geological conditions;
- (ii) alterations to programs and budgets;
- (iii) unanticipated operational and technical difficulties encountered in geophysical survey, drilling and production activities;
- (iv) mechanical failure of operating plant and equipment, adverse weather conditions, industrial and environmental accidents, industrial disputes and force majeure;
- (v) unavailability of aircraft or drilling equipment to undertake airborne surveys and other geological and geophysical investigations;
- (vi) unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment;
- (vii) prevention or restriction of access by reason of political unrest, outbreak of hostilities, and inability to obtain consents or approvals (including clearance of work programs pursuant to access agreements entered into with native title claimants);
- (viii) influence of community consultation on the grant or renewal of a mining licence; and
- (ix) uninsured losses and liabilities.

6.2 General risks

(a) Title risk

The renewal of tenements upon expiry of their current term and the granting of applications for exploration licences, exploration permits or mining leases is subject to Ministerial discretion. Non-approval or delay in the approval process could have a negative impact on exploration or mining conducted by the Company, as well as the Share price of the Company.

Various conditions may also be imposed as a condition of renewal. Renewal conditions may include increased expenditure and work commitments or

compulsory relinquishment of part of the tenement areas comprising the Company's projects. The Company makes no assurance that the renewal applications will be granted or applications approved.

(b) **Operating risk**

Potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that future exploration of the projects, or any other projects that may be acquired in the future, will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.

Tenements held by the Company are exploration permits only. In the event that the Company, or its subsidiaries, successfully delineates economic deposits on any of the tenements, it will need to apply for a mining lease. There is no guarantee that the Company will be granted a mining lease if one is applied for.

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

(c) **Options**

The Options will not be quoted on ASX (refer to Section 3.18 for further details). As the Options will not be quoted on ASX there will be no secondary market for the Options. This may adversely affect the Option holder's ability to sell their Options at a desired price, if at all.

(d) **Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.

(e) **Market conditions**

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

- (i) conflicts which may affect International trade and supply lines such as the war in Ukraine;
- (ii) general economic outlook;
- (iii) introduction of tax reform or other new legislation;
- (iv) interest rates and inflation rates;
- (v) changes in investor sentiment toward particular market sectors;

- (vi) the demand for, and supply of, capital; and
- (vii) 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 healthcare 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.

(f) **Environmental risks**

The operations and proposed activities of the Company are subject to 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. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

The minerals and mining industries have become subject to increasing environmental responsibility and liability. The potential for liability is an ever-present risk. The use and disposal of chemicals in the mining industry is under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations may become more onerous, making the Company's operations more expensive.

Mineral exploration activities have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products. The occurrence of any such safety or environmental incident could delay exploration programs. 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.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in a delay to anticipated exploration programs.

Exploration work will be carried out in a way that causes minimum impact on the environment. Consistent with this, it may be necessary in some cases to undertake baseline environmental studies prior to certain exploration or mining activities, so that environmental impact can be monitored, and as far as possible, minimised.

(g) **Climate Change**

There are a number of risks related to climate change which may affect the Company, including:

- (i) the changes which may occur to the climate of the area in which the projects are situated are not able to be predicted. The climate may change in a way which, for example, reduces evaporation rates or increases rainfall or the intensity of weather events in the tenement areas. These may cause disruption to field work and exploration activities;
- (ii) changes in governmental policy in response to climate change could adversely impact the value of the Company's assets, its business strategy and/or the costs of its operations; and
- (iii) climate change may have an impact on the operations of participants in the mining industry.

(h) **Litigation risk**

While the Company is not currently engaged in any litigation or disputes, it remains exposed to possible litigation and dispute risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims, trademark infringement and employee claims. Further, the Company may be involved in disputes with other parties in the future, which may result in litigation. Damages claimed under such litigation may be material or may be indeterminate, and the outcome of such litigation may materially impact on the Company's operations, financial performance and financial position. Defence and settlement costs can be significant, even in respect of claims that have no merit, and can divert the time and attention of management away from the business. In addition, the adverse publicity surrounding such claims may have a material adverse effect on the Company's business and prospects.

(i) **Safety risks**

Safety is a fundamental risk for any exploration and development company in regard 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 to or destruction of property, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company. The Company provides appropriate instructions, equipment, preventive measures, first aid information and training to all stakeholders to all occupational, health and safety management systems. The Company has taken an appropriate level of insurance to mitigate this risk.

(j) **Speculative investment**

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 securities offered under this Prospectus.

Therefore, the Options to be granted pursuant to this Prospectus (and the underlying Shares) carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

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

7. Additional Information

7.1 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 which are likely to have a material adverse effect on the business or financial position of the Company.

7.2 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 Company's securities.

This Prospectus is a 'transaction specific prospectus'. In general terms a 'transaction specific prospectus' 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.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been provided 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 apply for Options.

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 ASIC in relation to the Company may be obtained from, or inspected at, the offices of 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 ASIC, being the financial report for the year ending 30 June 2023;
- (ii) half-year financial report lodged by the Company with ASIC ending 31 December 2023; and
- (iii) any continuous disclosure documents given by the Company to ASX after the lodgement of the annual financial report referred to in clause 7.2(c)(i) and before the lodgement of this Prospectus with ASIC.

Copies of all documents lodged with ASIC in relation to the Company will be made available to anyone who requests a copy for it during the offer period, available by email.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest full year statutory accounts and before the lodgement of this Prospectus with ASIC are set out in the table below.

| Date | Description of Announcement |
|---------------|--|
| 3 July 2024 | Notice of Extraordinary General Meeting/Proxy Form |
| 3 July 2024 | Significant Assay Results NCP-Advanced Met Test Work Started |
| 25 June 2024 | Change of Director's Interest Notice |
| 19 June 2024 | Commencement of Seismic Survey |
| 18 June 2024 | Change of Director's Interest Notice |
| 6 June 2024 | Sydney Mining Club Presentation - Updated |
| 6 June 2024 | Sydney Mining Club Presentation |
| 4 June 2024 | Significant Milestone Achieved Hydrogeological Test Results |
| 6 May 2024 | Cobre Corporate Presentation – May 2024 |
| 30 April 2024 | Quarterly Activities/Cashflow Reports |
| 11 April 2024 | Change in Substantial Holding |
| 4 April 2024 | Change in Substantial Holding |
| 3 April 2024 | Commencement of Diamond Drilling – Okavango Copper Project |
| 27 March 2024 | Commencement of Process Design Scoping Study for Ngami |
| 19 March 2024 | Cleansing Notice |
| 19 March 2024 | Application for Quotation of Securities - CBE |

| Date | Description of Announcement |
|------------------|--|
| 14 March 2024 | Half Yearly Report and Accounts |
| 11 March 2024 | Change in substantial holding |
| 11 March 2024 | Cleansing Notice |
| 11 March 2024 | Application for Quotation of Securities - CBE |
| 8 March 2024 | Change in substantial holding |
| 7 March 2024 | Proposed issue of securities - CBE |
| 4 March 2024 | Completion of \$4m Placement to Accelerate Botswana Projects |
| 1 March 2024 | Trading Halt |
| 26 February 2024 | Successful Phase 1 Hydrogeological Tests & New Intersection |
| 15 February 2024 | Forthcoming Voluntary Escrow Release |
| 5 February 2024 | 121 Mining Investment Conference Presentation |
| 31 January 2024 | Quarterly Activities/Appendix 5B Cash Flow Report |
| 29 January 2024 | Large Scale Cu-Ag Formation Results from SFR Collaboration |
| 24 January 2024 | Change in substantial holding |
| 23 January 2024 | BHP Signs 2024 Xplor Agreement with Cobre |
| 29 November 2023 | Encouraging New Targets Identified on Kitlanya West Project |
| 22 November 2023 | Change of Directors' Interest Notices |
| 22 November 2023 | Commencement of Hydrogeological Test Work |
| 21 November 2023 | Response to ASX Price Query |
| 21 November 2023 | Notification regarding unquoted securities - CBE |
| 21 November 2023 | Results of Meeting |
| 20 November 2023 | Forthcoming Voluntary Escrow Release |
| 31 October 2023 | Quarterly Activities/Appendix 5B Cash Flow Report |
| 20 October 2023 | Notice of Annual General Meeting/Proxy Form |
| 20 October 2023 | Appendix 4G |
| 20 October 2023 | Corporate Governance Statement |

| Date | Description of Announcement |
|-------------------|--|
| 20 October 2023 | Annual Report to shareholders |
| 9 October 2023 | Metallurgical Test Work at NCP Highlights Recovery Potential |
| 6 October 2023 | Details of Company Address |
| 29 September 2023 | Full Year Statutory Accounts |

The announcements are available at www.asx.com.au and through the Company's website <https://www.cobre.com.au/>.

7.3 ASIC Instrument 2016/80

This Prospectus has been prepared, in part, to ensure that the relief provided under ASIC Instrument 2016/80 is available in respect of the Options. Instrument 2016/80 provides relief from the on-sale provisions of section 707 of the Corporations Act and will relieve the need for any further disclosure to be made prior to the on-sale of Shares issued following the exercise of Options, within 12 months of their date of issue. Shares issued on exercise of the Options will be able to be immediately traded on ASX (subject to the grant of quotation).

7.4 Interests of Directors

Other than as set out below, section 3.2, section 7.5 or elsewhere in this Prospectus, no Director holds, or has held within the two years preceding lodgement of this Prospectus with 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:

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

7.5 Security holdings of Directors

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, is set out in the table below.

| Director | Shares | Percentage | Options |
|--|------------------------|------------|------------|
| Mr Martin Holland (Executive Chairman) | 12,916,931 | 3.90% | 18,175,000 |
| Mr Michael Addison (Non-Executive Director) | 1,265,385 | 0.38% | 1,500,000 |
| Mr Michael McNeilly (Non-Executive Director) | 0 | 0.00% | 2,000,000 |
| Mr Andrew Sissian (Non-Executive Director) | 5,015,719 | 1.51% | 6,937,000 |
| Dr Ross McGowan (Non-Executive Director) | 4,000,000 ¹ | 1.21% | 500,000 |

Note 1: Shares are held by Indlovu Capital, an entity controlled by Dr Ross McGowan.

7.6 Remuneration of Directors

Please refer to the Remuneration Report, which is contained on pages 13 to 20 of the Company's Annual Report for the financial year 1 July 2022 to 30 June 2023, for full details of the remuneration of the Company's executive and non-executive directors.

The Annual Report was lodged with ASX on 20 October 2023 and is available on the Company's ASX announcements page at:

<https://www.asx.com.au/markets/company/CBE>

A hard copy of the Annual Report is also available free of charge by contacting the Company at its registered address using the details in Section 2 of this Prospectus.

7.7 Interests of 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 Offers or a financial services licensee named in this Prospectus as a financial services licensee involved in the Offers,

holds at the date of this Prospectus, or has held within the two years preceding lodgement of this Prospectus with 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,

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:

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

7.8 **HWL Ebsworth Lawyers**

HWL Ebsworth Lawyers has acted as the Australian legal adviser to the Company in relation to the Company has paid or agreed to pay approximately \$15,000 (excluding GST) for these services in connection with the Offers up to the date of the Prospectus. Further amounts may be payable to HWL Ebsworth Lawyers in accordance with its time-based charge out rates.

7.9 **Canaccord**

The Company and the Canaccord are parties to a mandate letter dated 26 February 2024 (**Mandate Agreement**) by which Canaccord agrees to act as lead manager and bookrunner to the Placement.

In consideration for the services provided by Canaccord under the Mandate Agreement, Canaccord will receive be entitled to receive:

- (a) a 2% management fee on gross proceeds;
- (b) a 4% capital raising fee on gross proceeds; and
- (c) the Broker Options.

The Company agrees to give standard representations and warranties to Canaccord in the Mandate Agreement and agrees to provide a standard indemnity for the benefit of Canaccord and their reasonable expenses. It also agrees to conduct the Placement in accordance with applicable law.

7.10 **Consents**

HWL Ebsworth Lawyers has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the

Company's Australian legal adviser (except in relation to stamp duty and taxation matters) in the form and context in which it is named. HWL Ebsworth Lawyers takes no responsibility for any part of this Prospectus, other than a reference to its name.

Canaccord Genuity (Australia) Limited has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as a lead manager (but not underwriter) of the Placement in the form and context in which it is named. Canaccord takes no responsibility for any part of this Prospectus, other than a reference to its name.

Automic Registry Services has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Company's Share Registry in the form and context in which it is named. Automic Registry Services has not taken part in the preparation of any part of this Prospectus other than the recording of its name as Share Registry. Automic Registry Services takes no responsibility for any part of this Prospectus, other than a reference to its name.

7.11 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 include forecast future earnings in this Prospectus.

7.12 Governing law

This Prospectus, the Offers and the contracts formed on acceptance of applications under the Offers are governed by the laws applicable in New South Wales, Australia. Each application for Options submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

7.13 Directors' authorisation

This Prospectus is authorised by each Director, who has given and not withdrawn their consent to the issue of this Prospectus and to its lodgement with ASIC.

Signed for and on behalf of Cobre Limited by being signed by a Director in accordance with section 351 of the Corporation Act:



Martin Holland, Executive Chairman

8. Glossary

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

Application Form means the application form accompanying this Prospectus by which participants in the Placement Option Offer or Broker Offer apply for Options.

ASIC means the Australian Securities and Investments Commission.

ASIC Instrument 2016/80 means ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80.

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.

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

Broker Offer has the meaning given to that term in Section 3.3 of this Prospectus.

Business Day means Monday to Friday inclusive, except public holidays and any other day that ASX declares is not a business day.

Canaccord means Canaccord Genuity (Australia) Limited ACN 075 071 466.

Company or **Cobre** means Cobre Limited ACN 626 241 067.

Closing Date means the date specified in Section 3.14 of this Prospectus (unless extended).

Constitution means the constitution of the Company as amended from time to time.

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

Director means a director of the Company.

EGM means the Extraordinary General Meeting of Shareholders, to be held on Tuesday, 6 August 2024.

FMC Act means the *Financial Markets Conduct Act 2013* (New Zealand).

Offers means the Placement Option Offer or Broker Offer (or either of them, as the case requires).

Option means an option to acquire a Share, granted under this Prospectus pursuant to the terms set out in Section 5.1.

Placement means the Company's two-tranche share placement to sophisticated and professional investors to raise approximately \$4.0 million.

Placement Option Offer has the meaning given in Section 3.2.

Placement Subscribers has the meaning given to that term in Section 3.2 of this Prospectus.

Placement Tranche 1 has the meaning given to that term in Section 3.1(b) of this Prospectus.

Placement Tranche 2 has the meaning given to that term in Section 3.1(c) of this Prospectus.

Prospectus means this prospectus (as may be replaced or supplemented).

Prospectus Date means the date of this prospectus, being 15 July 2024.

Related Party Issue has the meaning given to that term in Section 3.2 of this Prospectus.

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

Share Registry means Automic Registry Services.

Shareholder means a holder of a Share.

Subscribers means the Placement Subscribers or Canaccord (or either of them, as the case requires).

Tranche 1 Options has the meaning given to that term in Section 3.1(d)(i) of this Prospectus.

Tranche 2 Options has the meaning given to that term in Section 3.1(d)(ii) of this Prospectus.

[EntityRegistrationDetailsLine1Envelope]
[EntityRegistrationDetailsLine2Envelope]
[EntityRegistrationDetailsLine3Envelope]
[EntityRegistrationDetailsLine4Envelope]
[EntityRegistrationDetailsLine5Envelope]
[EntityRegistrationDetailsLine6Envelope]

Holder Number:
[HolderNumber]

Placement Shares
subscribed and issued:
[CumBalance]

PLACEMENT OPTION OFFER APPLICATION FORM

IMPORTANT: OFFER CLOSES 5:00PM (AEST) ON 23 JULY 2024 (UNLESS VARIED)

Cobre Limited (ASX: CBE) (**Cobre** or the **Company**) offers participants in the Placement the opportunity to subscribe for one (1) free attaching Option for every two (2) Shares issued to the participant under the Placement, for nil consideration (**New Options**). The New Options are exercisable at \$0.078 per Option and will expire on the third anniversary of the date on which they are granted. This Application Form should be read in conjunction with the Prospectus. If you do not understand the information in the Prospectus or you are in doubt as to how you should deal with it, you should seek professional advice. Other than as defined in this Application Form, capitalised terms have the same meaning as defined in the Prospectus.

ACCEPTANCE OF OPTIONS

Option A: Apply Online (Recommended)

Visit <https://investor.automic.com.au/#/home>

To apply online, simply scan the barcode to the right with your tablet or mobile device or enter the above link into your browser. Instructions lodging your application online and accessing this portal are provided in the section overleaf.

- ✓ **It's fast and simple:** Applying online is very easy to do, it eliminates any postal delays and removes any potential risk of it being lost in transit.
- ✓ **It's secure and confirmed:** Applying online provides you with greater privacy over your instructions and provides you with confirmation that your Application has been successfully processed.



Option B: Paper Application

You may accept your full entitlement set out below. Please tick and complete the following sections.

| Number of Placement Options Applied | |
|---|--|
| <input type="checkbox"/> Full Entitlement | [Entitlement] |
| <p>I/We authorise you to act in accordance with my/our instructions set out above. By signing this Application Form, I/we declare that:</p> <p>a) I/we wish to apply for Placement Options under the Offer as indicated on this Application Form;</p> <p>b) I/we received a copy of the Prospectus and have read and understood the terms and conditions of the Offer; and</p> <p>c) I/we agree to be bound by the Constitution of Cobre Limited.</p> | |
| <p>Individual or Securityholder 1</p> <p>[Signature Box]</p> <p>Sole Director or Sole Director & Sole Company Secretary</p> | <p>Securityholder 2</p> <p>[Signature Box]</p> <p>Director</p> |
| <p>Securityholder 3</p> <p>[Signature Box]</p> <p>Director/Company Secretary</p> | |
| <p>Day / Month / Year</p> <p>[Date Box]</p> | |
| <p>Telephone Number</p> <p>()</p> | <p>Contact Name (PLEASE PRINT)</p> <p>[Name Box]</p> |
| <p>Email Address</p> <p>[Email Box]</p> | |
| <p>By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible).</p> | |

INSTRUCTIONS FOR COMPLETION OF THIS FORM

ACTION REQUIRED BY PLACEMENT PARTICIPANTS

1. ACCEPTANCE OF OPTIONS

If you wish to apply for the Options, at no cost, please place a tick in the box provided. Should you validly sign the form but fail to place a tick in the box, it will be at the Company's discretion as to whether or not it is your intention to accept the Options.

2. DO NOTHING, IN WHICH CASE YOU WILL NOT PARTICIPATE IN THE OFFER

If you do not wish to participate in the Options Issue, you may not be issued any New Options and, upon exercise of the Options, you may be diluted.

SIGNING REQUIREMENTS

| | |
|---------------------------|--|
| Individual: | Where the holding is in one name, the Shareholder must sign. |
| Joint holding: | Where the holding is in more than one name, all of the Shareholders must sign. |
| Power of Attorney: | If any signatory signs under Power of Attorney, please attach an originally certified photocopy of the Power of Attorney to this Form when you return it. |
| Companies: | To be signed in accordance with your Constitution. Please sign in the box which indicates the office held by you. |
| Estates: | If any signatory signs in the capacity of Executor/s, please attach to this Form when you return it, a certified photocopy of the Probate or Death Certificate together with the Will. |

LODGING YOUR OPTION OFFER APPLICATION FORM

EMAIL

Send your completed and signed form to submissions@automicgroup.com.au.

ONLINE

Visit <https://investor.automic.com.au>

Login with your existing Username and Password

Once you are logged in, select "Offers" from the left-hand vertical menu and follow the prompts.

If you have not yet established an online account, visit <https://investor.automic.com.au/#/signup>

1. Select "**Cobre Limited**" from the dropdown list in the Issuer Name Field
2. Enter your Holder Reference (SRN/HIN) as shown on the top of this letter
3. Enter your postcode OR country of residence (only if outside Australia)
4. Tick the box "I'm not a robot" and then select "Next"
5. Complete the prompts to set up your username and password details

Once you are logged in, select "Offers" from the left-hand vertical menu and follow the prompts.

**YOUR OPTION OFFER APPLICATION FORM MUST BE RECEIVED BY NO LATER THAN
5.00PM (AEST) ON 23 JULY 2024.**