

FIRST AU LIMITED

[ABN 65 000 332 918]

("the Company")

OPTIONS PROSPECTUS

An offer of up to 100 options (**New Options**) at an issue price of \$0.0005 (0.05 cents) per New Option (**Offer**). Each New Option has an exercise price of \$0.012 (1.2 cents) (**Exercise Price**), expiry date of 17 November 2024 (**Expiry Date**) and, upon exercise, entitles the holder to one fully paid ordinary share in the capital of the Company (**Share**).

The Offer is only made to and capable of acceptance by invitees determined by the Company. The Offer closes at 5:00pm Melbourne time on 18 July 2023.

This Prospectus has been prepared primarily for the purposes of Section 708A(11) of the Corporations Act 2001 (Cth) to facilitate the secondary trading of the Placement Options.

THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ IN ITS ENTIRETY

It is important that you read this Prospectus carefully before deciding to accept the Offer described in this Prospectus. If you do not understand its contents you should consult your stockbroker, accountant or other professional adviser.

The securities offered under this Prospectus are considered speculative

CORPORATE DIRECTORY

First AU Limited
[ABN 65 000 332 918]

Directors

Ryan Skeen – Managing Director and CEO
Daniel Raihani – Non-Executive Director
Lei Shi – Non-Executive Director

CFO

David McBain

Company Secretary

Paul Godfrey

Registered Office

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FAU

Website

www.firstau.com

To view annual reports, shareholder and company information, news announcements, background information on the Company's business and historical information, visit www2.asx.com.au and search code "FAU".

IMPORTANT NOTICES

This prospectus (**Prospectus**) is dated 18 July 2023. A copy of this Prospectus was lodged with the Australian Securities & Investments Commission (**ASIC**) on the same date. Neither ASIC nor ASX Limited (**ASX**) nor their respective officers take any responsibility as to the contents of this Prospectus.

Subject to the Corporations Act, the ASX Listing Rules and other applicable laws, the Company reserves the right to close the Offer early, to extend the Closing Date, or not to proceed with the Offer.

The Offer closes at 5:00pm (Melbourne time) on 18 July 2023, which date may change without notice.

This Prospectus is for an offer of options to acquire continuously quoted securities (the New Options). Accordingly this Prospectus is not required by the Corporations Act to contain all the information normally required to be set out in a document of this type.

This Prospectus incorporates by reference information contained in documents lodged with ASIC. A document incorporated by reference in this Prospectus may be obtained free of charge from the Company during the application period.

The Company has adopted a target market determination (**TMD**) for the Offer. The TMD is available on the website of the Company, www.firstau.com/target-market-determination/. By making an application for New Options, an investor warrants that they have read and understood the TMD and that they meet the eligibility criteria of, and with within the target market determination set out in, the TMD.

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

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 past and 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, its Directors and management. Although the Company believes that the expectations reflected in the forward looking statements included in this Prospectus are reasonable, none of the Company, its Directors or officers, or any person named in this Prospectus can give, or gives, any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur or that the assumptions on which those statements are based will prove to be correct or exhaustive beyond the date of its making. Investors are cautioned not to place undue reliance on these forward-looking statements.

Except to the extent required by law, 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.

The forward-looking statements contained in this Prospectus are subject to various risk factors that could cause actual results to differ materially from the results expressed or anticipated in these statements. The key risk factors of investing in the Company are set out in Section 5 of this Prospectus.

No account has been taken of particular objectives, financial situation or needs of recipients of this Prospectus. Recipients of this Prospectus should have regard to their own objectives, financial situation and needs. Recipients of this Prospectus should make their own independent investigation and assessment of the Company, its business, assets and liabilities, prospects and profits and losses, and risks associated with investing. Independent advice should be sought before any decision is made to apply for New Options.

All monetary amounts in this Prospectus are in Australian dollars unless otherwise stated. All dates and times are dates and times in Melbourne, Victoria, Australia unless otherwise stated.

The securities offered under this Prospectus are considered speculative.

TIMETABLE

Lodgement of Prospectus	18 July 2023
Offer opens	18 July 2023
Closing Date	18 July 2023 at 5:00pm Melbourne time

Subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and other applicable laws, the Company reserves the right to change the above dates, close the Offer before the closing date stated above, extend the Closing Date and subsequent dates or not proceed with the Offer. The Company reserves the right to extend the Closing Date by making an announcement of the extension to ASX.

No securities will be issued on the basis of this Prospectus after 18 August 2024, being the expiry date of this Prospectus.

CONTENTS

Key Investment Risks – Summary	5
About the Offer – Summary	6
1. Details of the Offer	7
2. Purpose of this Prospectus and the Offer	8
3. Financial effect of the Offer	8
4. Effect on the Capital Structure of the Company	9
5. Risks	10
6. Acceptance Instructions	16
7. Continuous Disclosure Obligations	17
8. ASX Announcements	18
9. Terms of securities	19
10. Director's interests	20
11. Taxation	22
12. Overseas Investors	22
13. Privacy	22
14. Electronic Prospectus	22
15. Investment Decisions	23
16. Future Performance	23
17. Enquiries	23

KEY INVESTMENT RISKS – SUMMARY

Please read and consider this Prospectus in full and in conjunction with any matters which have or may be referred to in the Company's ASX announcements before applying for New Options under the Offer.

Section 5 of this Prospectus contains an overview of some of the key risks associated with investment in the Company, including risks associated with the Offer as set out below:

- Value of securities and share market conditions.
- There being no guarantee that the share price of the Company will be greater than the exercise price of New Options prior to the Expiry Date.
- The acquisition of Shares upon exercise of New Options may have taxation consequences.
- Shareholders will be diluted upon exercise of any New Options into Shares.
- Liquidity risks.

Section 5 of this Prospectus also contains an overview of the specific business risks of the Company, a selection of which are set out below:

- Risks inherent in mining and exploration and regulatory risks.
- Risks associated with the exploration interests held by the Company.
- Environmental risks.
- Uncertainty regarding obtaining funds if and when required to develop the projects of the Company.
- Risks associated with native title rights in the tenements.
- Risks associated with third parties including mandatory participation rights.
- Reliance on the key management personnel of the Company.
- Change in strategy risks.

In addition, there are risks of a more general nature, such as economic and market conditions.

A more detailed overview of some of the key risks associated with the Company and its operations are set out in Section 5 of this Prospectus.

ABOUT THE OFFER - SUMMARY

The following summary provides only a limited overview of the Offer being made by the Company. Further detail is set out in this Prospectus. Please read and consider this Prospectus in full before making any decision regarding applying for New Options or otherwise investing in the Company.

Topic	Summary	For more information see:
What is the Offer?	An offer of up to 100 options (New Options) to invitees determined by the Company (Offer).	Section 1.1
What is the issue price of New Options?	\$0.0005 (0.05 cents) per New Option.	Section 1.1
What are the terms of New Options?	Each New Options has an exercise price of \$0.012 (1.2 cents) (Exercise Price), expiry date of 17 November 2024 (Expiry Date) and, upon exercise, entitle the holder to one fully paid ordinary share (Share) in the capital of the Company. Full terms of the New Options are set out in Section 9.	Section 1.1 and 9
What is the purpose of the Offer?	The purpose of the Offer is to facilitate the secondary trading of the Placement Options (defined in section 1.6).	Sections 1.3, 1.6 and 2
Is the Offer underwritten?	No, the Offer is not underwritten.	Section 1.4
Are there risks associated with investment in the Company?	There are risks associated with investment in the Company. These include risks relating to the Offer and the New Options, risks relating to the Company and risks associated with financial investment generally. Please carefully consider the risks and the information contained in this Prospectus in conjunction with any specific matters which have or may be referred to in the Company's ASX announcements before deciding to apply for or acquire New Options or otherwise making an investment in the Company.	Section 5
How and when will I know if my application was successful?	Holding statements confirming the issue of New Options (if any) are anticipated to be dispatched on or about 20 July 2023.	Section 6
What are the taxation implications of participating in the Offer?	Taxation implications will vary depending upon the specific circumstances of the investor. You should obtain professional advice as to the taxation treatment applicable to you.	Section 11
Where can I find more information about the Company?	For more information on the Company please see the Company's website (www.firstau.com) or refer to the Company's ASX announcements (available on the ASX's website www2.asx.com.au , search code "FAU").	Section 17
What if I have questions about the Offer or how to apply?	You should consult your stockbroker, accountant, solicitor or other professional adviser before making any decision regarding applying for New Options. Questions concerning the Offer can also be directed to the Company on +61 3 9817 0700.	Section 17

1. Details of the Offer

1.1 The Offer

First AU Limited [ABN 65 000 332 918] (**First AU** or **the Company**) offers up to 100 New Options at an issue price of \$0.0005 (0.5 cents) each (**Offer**). The Offer is only made to and capable of acceptance by investors determined by the Company who receive a personalised application form (**Invitees**). Full terms of the New Options are set out in Section 9.1.

1.2 No Underwriting

The Offer is not underwritten.

1.3 ASX Listing

The Company proposes applying for quotation of the New Options to be issued (if any) and existing Placement Options on issue (defined in section 1.6), such Placement Options currently being unlisted.

The Company will lodge an Appendix 2A applying for quotation of any New Options to be issued (if any) and the existing Placement Options within 7 days of the lodgement of this Prospectus.

New Options issued (if any) and Placement Options will remain unquoted (unlisted) until such time as the Company satisfies the quotation requirements of ASX, which will include:

- there being at least 100,000 New Options and Placement Options on issue in combination; and
- the New Options issued (if any) and the Placement Options in combination are held by at least 50 holders each with a marketable parcel (being if all options held by a holder are exercised in full, the underlying Shares would be a parcel of note less than \$500 based on the trading price of Shares or the Exercise Price if the underlying Shares are unquoted).

The Company believes that the above requirements have, as at the date of this Prospectus, been met.

If quotation is not granted, the New Options issued (if any) will not be able to be traded on ASX and the existing Placement Options on issue will remain unlisted. The fact that ASX may grant official quotation of the New Options to be issued (if any) and/or Placement Options is not to be taken in any way as an indication of the merits of the Company or of the New Options to be issued (if any) and/or the Placement Options.

1.4 Minimum subscription

There is no minimum subscription.

1.5 Prohibition on exceeding 20% voting threshold

Recipients of New Options must have regard to, and comply with, the takeovers prohibition (the 20% voting power threshold) and substantial holder disclosure requirements of the Corporations Act 2001 (Cth) (**Corporations Act**) when exercising New Options.

The Company expressly disclaims any responsibility for ensuring that recipients do not breach the takeovers prohibition and/or the substantial holder disclosure requirements under the Corporations Act in any circumstance, including as a result of exercise of New Options.

The Company may refuse to act upon the exercise of New Options where such exercise would constitute a breach of the 20% voting power threshold under the Corporations Act.

Recipients of New Options should seek their own professional advice regarding if they may be at risk of breaching the takeovers prohibition or be required to comply with the substantial holder disclosure requirements under the Corporations Act as a result of the issue of Shares upon exercise of New Options.

1.6 **Placement**

On 13 February 2023, the Company announced that it proposed issuing an aggregate of 500,000,000 fully paid ordinary shares (**Placement Shares**) at an issue price of \$0.003 (0.3 cents) per Placement Share to raise approximately \$1.5 million before costs (**Placement**). Every two Placement Shares were to be accompanied by one free-attaching option (**Placement Options**) (250,000,000 in total) with the same terms as New Options.

The Placement was completed as follows:

- 142,789,991 Placement Shares were issued on 20 February 2023 using the placement capacity available to the Company under ASX Listing Rule 7.1.
- 357,210,009 Placement Shares were issued on 16 May 2023, following receipt of shareholder approval for the issue of those Placement Shares on 28 April 2023.
- All 250,000,000 Placement Options were issued on 17 May 2023, following receipt of shareholder approval for the issue of the Placement Options on 28 April 2023.

Peak Asset Management (**Peak**) acted as corporate advisor and lead manager of the Placement. As part of the fee for acting as lead manager of the Placement, the Company issued Peak and/or its nominee(s) an aggregate of 20,000,000 Placement Options on 17 May 2023, following receipt of shareholder approval for the issue.

Noting the above, the Company currently has 270,000,000 Placement Options on issue. All Placement Options are currently unlisted and the purpose of this Prospectus is primarily to qualify the Placement Options for secondary trading as part of seeking quotation (listing) of the Placement Options.

The Placement Options have the same terms as the New Options, which are set out in full in section 9.

2. **Purpose of this Prospectus and the Offer**

The purpose of this Prospectus and the Offer made under it is to comply with section 708A(11) of the Corporations Act 2001 (Cth) to qualify the Placement Options for secondary trading such that the Placement Options can be offered for sale within 12 months of issue. This Prospectus is a required step in the Company seeking the quotation (listing) of the Placement Options as set out in section 1.3.

3. **Financial effect of the Offer**

The Offer will have a negligible effect on the financial position of the Company as the maximum that would be raised if the Offer is fully subscribed is \$0.05 (5 cents). As referred to above, this Prospectus has been prepared for the purposes of qualifying the Placement Options for secondary trading.

The anticipated costs of the Offer are set out in the table below:

Particulars	Amount (\$)
Legal, printing and postage	\$6,000
ASIC and ASX Fees *	\$15,000
TOTAL	\$21,000

** includes anticipated quotation costs of New Options and Placement Options in combination and the lodgement fee payable in connection with lodging this Prospectus with ASIC.*

The Company had cash on hand and creditors at 30 June 2023 of approximately \$745,000 and \$220,000 respectively. due to creditors are within trading terms and are expected to be settled in the ordinary course of business. Other than the decrease of the cash reserves of the Company as a result of the costs of the Offer, the Offer is not anticipated to have an impact upon the financial position of the Company.

4. Effect on the Capital Structure of the Company

4.1 Shares and Convertible Securities

The tables below set out the capital structure of the Company, including the effect on the Company's capital structure of the Offer. These tables assume that no securities are issued by the Company other than as provided for under the Offer and that no convertible securities are exercised into fully paid ordinary shares.

SHARES

Existing fully paid ordinary shares on issue	1,451,993,277
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OPTIONS

Number of options	Expiry Date	Exercise price
2,500,000	28 July 2023	A\$0.02
10,250,000	14 October 2023	A\$0.03
8,000,000	14 October 2023	A\$0.035
71,250,000	31 December 2023	A\$0.013
2,500,000	28 January 2024	A\$0.035
270,000,000 (Placement Options)	17 November 2024	A\$0.012
100 (Maximum New Options)	17 November 2024	A\$0.012
7,500,000	17 January 2025	A\$0.012
7,500,000	17 July 2025	A\$0.015
7,500,000	17 July 2026	A\$0.018
7,500,000	17 July 2026	A\$0.020
20,000,000	6 May 2027	A\$0.015

All options are currently unlisted. As set out in Section 2, the purpose of this Prospectus is to qualify the Placement Options for secondary trading as part of seeking the quotation (listing) of the Placement Options.

4.2 Substantial shareholder

The Company has one substantial shareholder, being 7 Enterprises Pty Ltd (**7 Enterprises**). 7 Enterprises is associated with Daniel Raihani, a Director of the Company, and is accordingly a related party of the Company. 7 Enterprises holds a relevant interest 120,000,000 Shares, which represents a relevant interest of 8.26% of the current issued Shares at the date of this Prospectus.

The Offer will not result in any dilution to the relevant interest of 7 Enterprises.

7 Enterprises holds 8,454,334 Placement Options at the date of this Prospectus. If 7 Enterprises exercised the Placement Options it holds and no other convertible securities (including New Options and Placement Options) were exercised into Shares or other Shares were issued, 7 Enterprises would have a relevant interest of 8.85%.

The dilutive impact on 7 Enterprises through the issue of Shares upon exercise of 50% and 100% of the Placement Options and New Options in combination (including exercise of a commensurate percentage of the Placement Options currently held by 7 Enterprises) is set out in the table below:

Current Shares	Current %	Shares if 50% of Placement Options convert	% if 50% of Placement Options convert	Shares if 100% of Placement Options convert	% if 100% of Placement Options convert
120,000,000	8.26%	124,227,167	7.83%	128,454,334	7.46%

4.3 Dilution and control

The Offer will not result in any dilution of existing shareholders. Shareholders will however be diluted through the issue of Shares upon exercise of Placement Options and/or New Options, if any. The dilutive effect of the potential issue of Shares on exercise of 50% and 100% of the Placement Options and New Options in combination is outlined below. The below table is for indicative purposes only and is not to be taken as a representation that a certain number of Placement Options and/or New Options will be exercised, if any.

Shareholder (example)	Example shareholder holding	% of total current Shares (1,451,993,277 Shares)	% of total Shares post 50% of Options exercised (1,586,993,377 Shares)	% of total Shares post 100% of Options exercised (1,721,993,377 Shares)
A	10,000,000	0.69%	0.63%	0.58%
B	20,000,000	1.38%	1.26%	1.16%
C	50,000,000	3.44%	3.15%	2.90%
D	75,000,000	5.17%	4.73%	4.36%
E	100,000,000	6.89%	6.30%	5.81%

Notes to Table:

1. All percentages are rounded to two decimal places.
2. Assumes the example shareholder does not acquire Shares.
3. Other than as set out above, assumes that no options convert to fully paid ordinary shares.

5. Risks

The New Options offered under this Prospectus are considered highly speculative. An investment in the Company carries risk. The Directors strongly recommend potential investors consider the risk factors described below, together with information contained elsewhere in the Prospectus.

This section identifies circumstances the Directors regard as risks associated with investment in the Company and which may have a material adverse impact on the financial performance of the Company, if they were to arise.

Specifically:

- the New Options are subject to specific risks (refer to section 5.1);

- the business, assets and operations of the Company are subject to specific risk factors that could potentially influence the performance of the Company in the future (refer section 5.2);
- there are general investment and market risks (refer section 5.3).

Where possible, the Directors aim to manage these risks by carefully planning the Company's activities and implementing risk control measures. However, some of the risks identified are highly unpredictable or are out of the control of the Company and the Company is therefore limited to the extent it can effectively manage them.

These risk factors are not intended to be an exhaustive list of risks to which the Company is, or will be, exposed.

5.1 **Risks associated with the Offer and the New Options**

(a) Value of securities and share market conditions

The market price of the Company's securities is subject to varied and unpredictable influences on the market for equities in general and with respect to resources stocks in particular. Market conditions and lack of liquidity may affect the value of the Company's securities regardless of the performance of the Company.

(b) Exercise price

No guarantee can be given that the price of the fully paid ordinary shares of the Company will be greater than the exercise price of \$0.012 prior to the expiry date of New Options. Accordingly, there is a risk that New Options will be out of the money during the entire exercise period which would affect the value of New Options.

(c) Taxation consequences

The issue of Shares on exercise of New Options may have taxation consequences depending on the particular circumstances of the recipient. You should seek your own professional advice before investing in the Company.

(d) Dilution

Although the issue of New Options will not result in the dilution of the holdings of existing shareholders of the Company, any exercise of New Options and Placement Options into Shares will result in existing shareholders being diluted. An example of the potential dilutive effect of the exercise of New Options and Placement Options is set out in section 4.2.

(e) Liquidity

As noted in section 1.3, the Company proposes seeking quotation (listing) of the New Options issued (if any) and/or the Placement Options. There is a risk that the Company will not be able to satisfy the quotation conditions imposed by ASX on commercially viable terms, or at all. If the New Options and/or Placement Options are not listed, holders will not be able to trade the Options in ASX which will reduce the liquidity of New Options and/or Placement Options. Even if the New Options and/or Placement Options are listed on ASX, there can be no assurance given that there will be, or will continue to be, an active market for the New Options and/or Placement Options or that the price of New Options and/or Placement Options will increase.

5.2 **Company Specific Risks**

(a) Mining and exploration risk

The Company conducts mineral exploration activities in Australia.

The business of mineral exploration, development and production is subject to significant exploration and development risks. The success of the Company depends on its ability to successfully develop resources and

manage its operations. Whilst the Company has identified a resource that it intends to commercialise, there is a risk that the Company may not be able to undertake economically viable production on the resource.

The Company's capacity to proceed to develop a mine in respect of this resource will be dependent upon a number of factors. These factors include obtaining approvals from all relevant authorities and parties, seasonal weather issues, construction issues, cost overruns, plant and equipment availability, skilled consultants and labour availability, funding needs and other matters, all of which may create risks.

The development of a mine may also be subject to the terms of arrangements between the Company and third parties, including but not limited to access rights and agreements.

Although the Company currently intends to continue to pursue the exploration and commercialisation of the areas comprising the projects it holds, the Company may in future determine not to proceed with a portion, or the entirety, of the area covered by one or more of the interests forming its projects. This determination is dependent on the circumstances of the Company at the time, including but not limited to the costs and administrative burden of maintaining an interest (including meeting the conditions imposed), the results of exploration on an interest and the working capital requirements of the Company. The Company may also decide to pursue new exploration projects which, in addition to the general exploration, access and tenure risks set out herein, may carry specific risks which are inherent to the particular project and/or project location.

(b) Exploration and tenement interests

The Company's exploration activities are dependent upon the grant and maintenance of appropriate authorisations including grants, licences, permits, consents, access arrangements and regulatory authorisations, which may not be granted or may be withdrawn or made subject to limitations. Renewals and transfers may be affected by completing remediation obligations or allocating responsibility for environmental liabilities.

The interests of the Company in its projects are governed by mining legislation, regulations and conditions imposed by the relevant legislature. Each interest is subject to annual expenditure and reporting obligations. Interests are typically granted for fixed terms and renewal or extension is subject to regulatory approval, which depends in part upon historical and ongoing compliance with conditions and relevant law. Failure to meet these requirements may result in loss of one or more interests in a project.

The Company may in future be required to surrender a portion or all of its interests in a project, whether in connection with a renewal or extension of an interest or otherwise. There is the risk that such surrendered interest may contain a yet to be discovered mineral deposit.

(c) Environmental risks

The operations of the Company have historically been, and will in future be subject to, extensive environmental laws and regulations. The Company uses and will continue to use all reasonable endeavours to comply with the environmental, legal and regulatory requirements, however, these laws are complex and there is a risk of inadvertent non-compliance by the Company.

The activities of the Company impact upon the environment and it is anticipated that any advanced exploration or mine development will impact the environment further. There is a risk that any mining operation undertaken by the Company may create environmental risks, particularly with respect to environmental damage through construction activities, disposal of waste products and/or water contamination. Such occurrences could delay production or increase costs of operations.

Natural events such as excessive rainfall, floods, storms or bushfire could adversely affect the Company's ongoing compliance with environmental laws and regulations. Breaches of environmental legal and regulatory requirements may result in fines, damages, clean-up costs and other penalties against the Company.

The Company will also be required to rehabilitate the environment in respect of the damage its activities cause (if any) and/or to complete rehabilitation programs contracted to be undertaken with or on behalf of third parties. There is risk that the quantum of funds to be expended on such rehabilitation works may exceed the funds the Company anticipated would be required or generated by the relevant activity or program, or has available at the time payment is required. There is also a risk that the historical operations of the Company have incurred liabilities with respect to rehabilitation works.

The Company will, where applicable, establish rehabilitation funds in compliance with legislation.

(d) Future requirements for capital

The Company may in future require additional funding to carry out its planned and future activities on its projects. The Company may also incur unexpected costs in implementing its existing and future exploration and/or development plans, including engaging contractors to undertake specific activities and meeting regulatory costs and requirements in connection with its projects.

There can be no guarantee that, if required, further financing will be available on commercially acceptable terms, or at all. Any additional financing through equity issues would be dependent upon the ability of the Company to raise funds in the securities market, which in turn is dependent on there being sufficient identifiable appetite from investors for equity in the Company. Such equity issues, if successfully conducted, would also be dilutive to current equity holdings in the Company. Furthermore, debt financing may not be available to support the scope and extent of proposed activities of the Company.

While the Company will seek further funding as and when required, ultimately access to such funding or lack thereof may require the Company to scale back its operations, including allowing the lapse of one or more of its projects and/or the postponement, or abandonment, of one or more of its projects.

(e) Licences, permits and payment obligations

The Company's mining exploration activities are dependent upon the grant, or as the case may be, the maintenance of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations. The Company cannot guarantee that those mining tenements that are applications will ultimately be granted (in whole or in part). The maintaining of tenements, obtaining renewals, or getting tenements granted, often depends on the Company being successful in obtaining the required statutory approvals for its proposed activities and that the licences, concessions, leases, permits or consents it holds will be renewed as and when required.

The Company is not aware of any reason why these tenements would not be renewed in the ordinary course but cannot give assurance that such renewals will be given and there is no assurance that new conditions will not be imposed in connection therewith.

Pursuant to the licences comprising the Company's projects, the Company is subject to payments and other obligations. In particular, licence holders are required to expend the funds necessary to meet the minimum work commitments attaching to the tenements. Failure to meet these work commitments may render the licence subject to forfeiture or result in the holders being liable for fees. Further, if any contractual obligations are not complied with when due, in addition to any other remedies that may be available to other parties, this could result in dilution or forfeiture of the Company's interest in its projects.

(f) Potential Acquisitions

As part of its business strategy, the Company may make acquisitions of, or significant investments in, other resource projects. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of resource projects.

(g) Native Title and Aboriginal Heritage Risks

The existence of native title and/or native title claims in relation to the land the subject of the tenements may affect the Company's ability to obtain the grant of future tenure over the Tenements or in their vicinity. If the tenements have not been validly granted in compliance with native title legislation, this may have an adverse impact on the Company's activities.

There is a risk that Aboriginal sites and objects may exist on the land the subject of the tenements the existence of which may preclude or limit mining activities in certain areas of the tenements.

Heritage survey work may need to be undertaken ahead of the commencement of exploration or mining operations to reduce the risk of contravening Aboriginal heritage legislation.

The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has, or may have, an interest.

(h) Third Party Risks

The Company (and its group entities) have contracted with, or will in the future need to contract with, various parties to enable the implementation of its exploration plans on its projects. Such counterparties include service contractors, consultants, joint-venturers, suppliers and landowners.

There is a risk that counterparties may fail to perform their obligations under existing or future agreements, experience financial failure, or managerial failure. This could lead to delays, increase in costs, disputes and even litigation. All these factors could negatively affect the Company's operations and there can be no assurance the Company would be successful in seeking remedies or enforcement of its rights through legal actions.

(i) Reliance on Key Management

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and directors. There can be no assurance there will be no detrimental impact on the performance of the Company or its growth potential if one or more of these senior managers or directors cease their employment with the Company and suitable replacements are not identified and engaged in a timely manner.

(j) Change in Strategy

The Company seeks to identify desirable opportunities from time to time. Accordingly, the plans and strategies of the Company may evolve such that the existing operations of the Company may change. Such change could include, amongst other matters, acceleration of the development of one or more of the projects of the Company, the acquisition of one or more projects or the disposal of one or more of the existing projects of the Company. As a result, the current strategies, approaches and plans may not reflect the strategies, approaches and plans of the Company at a later date. Any such changes have the potential to expose the Company to heightened or additional risks.

(k) Climate Change

As an entity engaged in mineral exploration activities, the Company anticipates it will be subject to climate change risks, and in particular:

- the emergence of new or expanded regulations associated with transitioning to a lower carbon economy including market changes associated with climate change mitigation. The Company may be impacted by local and international compliance regulations, or specific taxes or penalties associated with carbon emissions or environmental damage. Given the uncertainty with respect to the future

regulatory framework regarding climate change mitigation, the Company may be subject to further restrictions, conditions and risks. While the Company will seek to manage such risks as and when they arise, there can be no guarantee that the Company will be able to do so in a cost effective manner, if at all; and

- climate change may cause physical and environmental risks that cannot be predicted, including extreme weather patterns and events that may directly or indirectly impact the operations of the Company and may significantly disrupt the industry in which the Company operates.

5.3 **General Risks**

(a) Pandemic

The Company's operations may be adversely affected in the short to medium term by the economic uncertainty caused by a pandemic. In addition, although the impacts of COVID-19 appear to have stabilised in most countries including Australia, no guarantee can be given that governmental or industry measures taken in response to COVID-19 or any potential future pandemic (if any), will not adversely impact the operations of the Company and are likely to be beyond the control of the Company.

(b) Economic Risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may adversely affect the Company's activities, as well as its ability to fund those activities. Further, share market conditions may affect the value of the Company's securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- interest rates and inflation rates;
- currency fluctuations;
- changes in investor sentiment toward particular market sectors;
- international trade disputes and sanctions
- political instability and civil unrest
- restricted access to trade routes
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

(b) Regulatory Risks

The Company's activities could be adversely affected by changes to laws such as the impact of taxes and charges, increasing requirements relating to regulatory and environmental matters and changes to mining or exploration rights granted under legislation. The Company could also be adversely affected by changes to laws regarding native title and heritage matters, employee relations, health and worker safety, protection of endangered and protected species and other matters. Failure to comply with applicable laws or permit conditions could result in fines, penalties or other sanctions including suspension or forfeiture of rights.

(c) Insurance

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

(d) Litigation Risks

The Company is exposed to possible litigation risks including 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.

(e) Commodity price volatility and exchange rate risks

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

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are in Australian dollars. The Company reports its accounts in Australian currency. These factors expose the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

5.4 Investment Speculative

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

Shares received upon exercise of Options carry no guarantee with respect to the payment of dividends, returns of capital or market value. The Company does not expect to declare any dividends for the foreseeable future.

Potential investors should consider that the investment in the Company is highly speculative.

6. Acceptance Instructions

6.1 Applying under the Offer

Applications for New Options must only be made by investors who receive a personalised application form from the Company to participate in the Offer. The Company may determine at its absolute discretion whether to accept any or all applications for New Options under the Offer. Application forms and payment for New Options must be delivered to the Company in accordance with the instructions on the personalised application form.

6.2 General

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Persons resident in countries outside Australia should consult their professional advisers as to whether governmental or other consents are required or whether formalities need to be

observed for them to acquire New Options. Return of a personalised Application Form will be taken by the Company to constitute a representation that there has been no breach of such requirements.

No account has been taken of the particular objectives, financial situation or needs of recipients of this Prospectus. Because of this, recipients of this Prospectus should have regard to their own objectives, financial situation and needs.

Recipients of this Prospectus should make their own independent investigations and assessment of the Company, its business, assets and liabilities, prospects and profits and losses, and the risks associated with investing in the Company. Independent expert advice should be sought before any decision is made to accept the Offer, or to acquire New Options or other securities of the Company.

If you have any questions about the Offer please contact the Company on +61 3 9817 0700.

7. Continuous Disclosure Obligations

This Prospectus is issued by the Company in accordance with the provisions of the Corporations Act applicable to a prospectus for convertible securities over continuously quoted securities (being the New Options).

Section 713 of the Corporations Act enables a company to issue a special prospectus where the securities under that prospectus are continuously quoted securities, or option over continuously quoted securities, within the meaning of the Corporations Act. This generally means that the relevant securities are in a class of securities, or options over a class of securities, that were quoted enhanced disclosure securities at all times during the 3 months before the date of this Prospectus and other requirements relating to the Company not being subject to various exemptions and orders under the Corporations Act within the last 12 months are met.

In summary, special prospectuses are required to contain information in relation to the effect of the offer of securities on the company and the rights and liabilities 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. Accordingly, this Prospectus does not contain the same level of disclosure as a prospectus of an unlisted company or an initial public offering prospectus.

Having taken such precautions and having made such enquiries 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 12 months before the date 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.

For the purpose of satisfying section 713(5) of the Corporations Act a prospectus must incorporate information that:

- (a) has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
- (b) is information that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
 - the assets and liabilities, financial position and performance, profit and losses and prospects of the Company; and
 - the rights and liabilities attaching to the securities being offered.

The prospectus must contain this information only to the extent to which it is reasonable for investors and their professional advisors to expect to find such information in the prospectus. The Company is not aware of any matters that need to be disclosed under this section of the Corporations Act that have not been previously disclosed or which have not been set out in this Prospectus.

The Company operates an ongoing business and reports regularly on its activities. As a disclosing entity under the Corporations Act, the Company is subject to regular reporting and disclosure obligations. The Company will make further announcements in respect of its business and activities in accordance with its disclosure obligations.

Copies of documents lodged with ASX and ASIC in relation to the Company may be obtained from or inspected by accessing the respective web sites.

Any person may request, and the Company will provide free of charge, a copy of each of the following documents during the acceptance period of this Prospectus:

- (a) The annual financial report of the Company for the financial year ended 31 December 2022 (released to ASX on 31 March 2023), being the most recent annual financial report of the Company before the lodgement of this Prospectus with ASIC; and
- (b) Any continuous disclosure notices given by the Company since the lodgement of the Annual Financial Report referred to in (a) above before lodgement of this Prospectus. Continuous disclosure notices given by the Company since the lodgement of the Annual Financial Report to the date of this Prospectus are listed in section 8 of this Prospectus.

Such documents are also available online from the ASX website at www2.asx.com.au.

8. ASX Announcements

The following announcements (continuous disclosure notices) have been made by the Company to ASX since lodging its annual financial report for the year ended 31 December 2022 with ASIC:

Date	Headline
18 July 2023	Notification regarding unquoted securities – FAU
18 July 2023	Change of Director's Interest Notice
7 July 2023	Notification of cessation of securities – FAU
7 July 2023	Change of Director's Interest Notice
13 June 2023	Completion of Sale of Mabel Creek Project
13 June 2023	Drilling Intersects Extensive Near Surface Gold (Amended)
13 June 2023	TLM: TLM Completes Acquisition of Highly Prospective Mabel
8 June 2023	Drilling Intersects Extensive Near Surface Gold
5 June 2023	Initial Director's Interest Notices
5 June 2023	Final Director's Interest Notices
5 June 2023	Notification of cessation of securities - FAU
29 May 2023	Results of Meeting and Board Changes
26 May 2023	Gimlet Gold Project Mining Lease Granted
19 May 2023	Non-Provision of Information by Director Candidates
18 May 2023	Change in substantial holding
18 May 2023	Ceasing to be a substantial holder
18 May 2023	Notification regarding unquoted securities - FAU
16 May 2023	Statement by Directors under s203D
16 May 2023	Cleansing Notice
16 May 2023	Application for quotation of securities - FAU
9 May 2023	Drilling Commences at Haunted Stream

Date	Headline
28 April 2023	Quarterly Activities and Cash Flow Reports
28 April 2023	Notice of Annual General Meeting/Proxy Form
28 April 2023	Results of Meeting
27 April 2023	Statement from Requisitioning Shareholder
20 April 2023	Receipt of Section 249D Notice
18 April 2023	Receipt of Nominations and Section 203D Notice
17 April 2023	Change in substantial holding
6 April 2023	Proposed AGM Date
31 March 2023	Appendix 4G and Corporate Governance Statement
31 March 2023	Annual Report to shareholders

Any person may request, and the Company will provide free of charge, a copy of any of the above announcements during the application period of this Prospectus.

The Company may make further announcements to ASX from time to time. Announcements are released by ASX on its website, www2.asx.com.au under the Company's ASX code "FAU" and copies of announcements can be obtained from the Company upon request and are available on the Company's website www.firstau.com. Prospective investors are advised to refer to ASX's website for updated releases about events or matters affecting the Company.

In making statements in this Prospectus, it is noted that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

9. Terms of securities

9.1 New Options and Placement Options

New Options and Placement Options (collectively **Options** in this section 9) have the following common terms:

- (a) Each Option entitles the holder to acquire one fully paid ordinary share (**Share**) in the capital of the Company.
- (b) The exercise price is \$0.012 (1.2 cents) (**Exercise Price**) per Option.
- (c) Each Option is exercisable at any time prior to 5:00pm Melbourne time on 17 November 2024 (**Expiry Date**).
- (d) Options may be exercised by providing written notice together with payment for the number of Shares in respect of which Options are exercised to the registered office of the Company.
- (e) Any Option that has not been exercised prior to the Expiry Date or cancelled in accordance with these terms shall automatically lapse.
- (f) An Option shall not be able to be exercised (and the Company will not be required to issue Shares upon such exercise) if it would be unlawful to do so.
- (g) Subject to compliance with applicable laws, Options are freely transferrable.
- (h) The Exercise Price is payable in full upon exercise of Options.

- (i) Where an Option holder determines to exercise some, but not all, of their held Options, the total aggregate amount payable to exercise the Options must be a minimum of \$1,000.
- (j) All Shares issued upon exercise of Options will rank pari passu in all respect with, and have the same terms as, the Company's then issued fully paid ordinary shares. The Company will apply for official quotation by ASX of all Shares issued upon exercise of Options, subject to any restriction obligations imposed by ASX and the Company being listed on ASX at the relevant time. The Options will not give any right to participate in dividends until shares are issued pursuant to the terms of the relevant Options.
- (k) There are no participation rights or entitlements inherent in the Options. Option holders are not entitled to participate in new issues of securities offers to shareholders without first exercising the Option. Prior to the Expiry Date and if required by the ASX Listing Rules, the Company will send notices to option holders in accordance with the time limits required by the ASX Listing Rules in respect of offers of securities made to shareholders.
- (l) In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the Expiry Date, the number of Options or the exercise price of the Options or both shall be reconstructed in accordance with the ASX Listing Rules applying to a reorganisation of capital at the time of the reconstruction.
- (m) Options will otherwise have the terms as required by ASX and the ASX Listing Rules.

9.2 Shares

Shares issued on exercise of Options will be fully paid ordinary shares in the capital of the Company, which will rank equally with, and will have the same voting and other rights as existing issued shares of the Company. The rights attaching to the Company's shares are set out in the Company's constitution, the Listing Rules of ASX and the Corporations Act. The Company's constitution has been lodged with ASIC. The constitution contains provisions of the kind common for public companies in Australia and are taken to be included in this Prospectus by operation of Section 712 of the Corporations Act. Any person may request a copy of the constitution during the application period of the Prospectus, which the Company will provide free of charge.

9.3 General

The Offer and any application concerning the issue of New Options under this Prospectus, shall be governed and construed in accordance with the laws in the State of Victoria, Australia.

10. Director's interests

10.1 Securities

The Directors' direct and indirect interests in securities of the Company as at the date of this Prospectus and the effect of the exercise of 50% and 100% of the New Options and Placement Options in combination on the direct and indirect share holdings of Directors are set out in the following table.

SHARES & CONVERTIBLE SECURITIES

Director/Shareholder (and/or associate(s))	Existing Shares		Maximum % if 50% of Options exercised*	Maximum % if 50% of Options exercised*	Current Options
	Number	%			
Ryan Skeen	480,454	0.03%	0.03%	0.03%	35,200,000
Daniel Raihani	120,000,000	8.26%	7.56%	6.97%	11,958,334

Lei Shi	0	0.00%	0.00%	0.00%	0
TOTAL:	120,480,454	8.30%	7.59%	7.00%	47,158,334

Notes to Table:

- All percentages are rounded to two decimal places.
- Does not factor in the Directors exercising their existing options. Details of the potential exercise by 7 Enterprises (an entity associated with Daniel Raihani) of the Placement Options held by 7 Enterprises are set out in Section 4.2. Other than the securities held by 7 Enterprises, Daniel Raihani does not have any other relevant interest in the securities of the Company.

10.2 Remuneration & Payments to Directors

Fees and other remuneration

Directors are entitled to receive directors' fees and other remuneration (which may include consulting fees) from the Company in relation to services provided to the Company.

Details of the cash remuneration or agreed to be paid to Directors in the two years prior to the lodgement of this Prospectus (excluding GST if applicable) are as follows:

Director	2021 – 2022	2022 – 2023
Ryan Skeen	\$134,841	\$177,884
Daniel Raihani	\$0	\$0
Lei Shi	\$0	\$0

Notes to table:

- (1) The remuneration set out above includes base salaries in connection with director engagements.
- (2) Daniel Raihani and Lei Shi were appointed as Directors on 29 May 2023 and have yet to receive remuneration from the Company.

Other

Except as disclosed in this Prospectus:

- no person has paid or agreed to pay any amount to any Director or has given or agreed to give any benefit to any Director, to induce the Director to become, or to qualify as, a Director or otherwise for services rendered by the Director in connection with the formation or promotion of the Company or the Offer.
- no Director or proposed Director has, or has had within two years of lodgement of this Prospectus, any interest in:
 - the formation or promotion of the Company; or
 - any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer; or

- the Offer.

11. Taxation

Recipients of the Offer should seek and obtain their own taxation advice.

12. Overseas Investors

This Prospectus and any application form do not constitute an offer in any jurisdiction in which, or to any persons to whom, it would not be lawful to make such an offer.

This Prospectus does not constitute an offer for securities in any place where, or to any person whom, it would be unlawful to make such an offer. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law, and persons outside Australia who comes into possession of this Prospectus should seek advice on, and observe any, such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify the New Options or the Offer or otherwise to permit a public offering of the securities in any jurisdiction outside Australia.

The Offer has not been, and will not be, registered under the US Securities Act and has not been made in the United States of America or to persons resident in the United States of America.

13. Privacy

Personal information is collected on application forms by the Company and the Share Registrar for processing applications, maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Acceptances might not be processed efficiently, or at all, if the information requested is not provided. Personal information about recipients may be disclosed to external service providers such as print or mail service providers as required or permitted by law. A recipient who would like details of their personal information held by the Company or its Share Registrar, or who would like to correct information that is incorrect or out of date, should contact the Company by email, by telephone or at the address shown in the Corporate Directory. In accordance with the Corporations Act, recipients may be sent material (including marketing material) in addition to general corporate communications. Recipients may elect not to receive marketing material by contacting the Share Registrar's Privacy Officer. Recipients can also request access to, or corrections of, personal information held by the Company by writing to the Company.

14. Electronic Prospectus

This Prospectus is available in electronic format via the ASX website, www2.asx.com.au and via the Company's website at www.firstau.com.

Persons having received this Prospectus in electronic form may, during the offer period, obtain a paper copy of this Prospectus (free of charge) by contacting the Company on +61 3 9817 0700.

Applications for New Options may only be made on the personalised Application Form which will be provided to Invitees and which will form part of or will be accompanied by the complete and unaltered electronic version of this Prospectus. The Corporations Act prohibits any person from passing on to another person a personalised Application Form unless it is attached to or accompanied by a hard copy of this Prospectus or by the complete and unaltered electronic version of this Prospectus.

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 complete and unaltered electronic version of this Prospectus.

15. Investment Decisions

The information in this Prospectus does not constitute financial product advice. This Prospectus does not take into account the investment objectives, financial situation, tax position and particular needs of individual investors. Investors should obtain their own independent advice and consider the appropriateness of the Offer having regard to their own objectives, financial situation, tax position and needs.

16. Future Performance

Except as required by law, and only then to the extent so required, neither the Company nor any other person warrants the future performance of the Company, or any return on any investment made pursuant to this Prospectus. An investment through applying for and receiving New Options under the Offer made by this Prospectus should be considered speculative.

17. Enquiries

If you have any questions regarding the content of this Prospectus or applying for New Options you should contact your stockbroker, accountant or independent professional financial adviser prior to applying for New Options. If you have any questions regarding the Offer please contact the Company on +61 3 9817 0700.

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

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company have authorised the lodgement of this Prospectus with ASIC.



Ryan Skeen
CEO and Managing Director