



**Protean Energy Ltd
(ACN 119 267 391)**

Prospectus

For a non-renounceable entitlement issue of three (3) New Shares for every four (4) existing Shares held by those Shareholders registered at the Record Date at an issue price of \$0.006 per New Share to raise up to \$1,610,861 (before expenses) (**Offer**).

The Lead Manager to the Offer is CPS Capital Group Pty Ltd (AFSL 294848) (**CPS**)
The Offer is fully underwritten by CPS
The Offer close at 5.00pm AWST on Friday 27 November 2020

Important Notice

This is an important document and should be read in its entirety.
This Prospectus is a transaction-specific prospectus issued in accordance with section 713 of the Corporations Act. If you have any queries about any part of the Prospectus, please contact your professional adviser without delay. The Securities offered by this Prospectus should be considered speculative.

Corporate Directory

Current Directors

Bevan Tarratt (Non-Executive Chair)
David Wheeler (Non-Executive Director)
Timothy Slate (Non-Executive Director)
Joe Graziano (Non-Executive Director)

Company Secretaries

Matthew Foy
Timothy Slate

Registered Office and Principal Place of Business

Level 26
140 St Georges Terrace
PERTH WA 6000

Telephone: +61 8 6558 0886
Facsimile: +61 8 6316 3337
Website: www.proteanenergy.com

ASX Code

POW

Share Registry*

Link Market Services Limited
Central Park, Level 4
152 St Georges Terrace
PERTH WA 6000

Telephone: 1300 554 474

Lead Manager and Underwriter

CPS Capital Group Pty Ltd
(AFSL 294848)
Level 45, 108 St Georges Terrace
PERTH WA 6000

Solicitors

Nova Legal
Level 2, 50 Kings Park Road
West Perth WA 6005

Auditors*

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

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

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IMPORTANT INFORMATION

GENERAL

This Prospectus is dated 6 November 2020 and was lodged with ASIC on that date. Neither ASIC nor ASX, nor any of their officers, take any responsibility for the contents of this Prospectus.

This Prospectus expires 13 months from the date it was lodged with ASIC. No securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. An application will be made to ASX within 7 days after the date of this Prospectus for the quotation of the Securities the subject of this Prospectus.

In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers. This Prospectus is issued pursuant to section 713 of the Corporations Act. Section 713 allows the issue of a more concise prospectus in relation to an offer of continuously quoted securities. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all information that would be included in a prospectus for an initial public offering.

This document is important and it should be read in its entirety. The Securities to be issued pursuant to this Prospectus should be viewed as a speculative investment and Eligible Shareholders should refer to the Section 2 for details of certain risk factors which are considered to be relevant for the purposes of the Offer. Eligible Shareholders should consult their stockbroker, solicitor, accountant or other professional adviser if necessary.

No person is authorised to give any information or to make any representation in relation to the Offer which is not contained in this Prospectus and any such information may not be relied upon as having been authorised by the Directors.

A copy of this Prospectus can be downloaded from the Company's website at www.proteanenergy.com. The offer constituted by an electronic version of this Prospectus is only available to persons receiving an electronic version of this Prospectus within Australia. Any Shareholder or Optionholder may obtain a hard copy of this Prospectus by contacting the Company.

A number of terms and abbreviations used in this Prospectus have defined meanings set out in Section 7.

OVERSEAS SHAREHOLDERS

New Shares will not be issued pursuant to this Prospectus to Shareholders with a registered address which is outside Australia or New Zealand. This is because the Company has determined that it would be unreasonable to make the Offer under this Prospectus to such Shareholders having regard to the number of Shareholders in the places where the Offer would be made, the number and value of the New Shares that would be offered and the costs of complying with the legal requirements of those places. The distribution of this Prospectus in jurisdictions outside of Australia and New Zealand may be restricted by law and therefore persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the applicable securities law.

This Prospectus does not, and is not intended to, constitute an offer of securities in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer or issue. This Prospectus has not been, nor will it be lodged, filed or registered with any regulatory authority under the securities laws of any other country.

CAPITAL RAISING FEES, UNDERWRITING AND SUB-UNDERWRITING

The Company has appointed CPS Capital Group Pty Ltd (AFSL 294848) (**CPS**) as Lead Manager to the Offer pursuant to a Lead Manager, Underwriter and Corporate Advisory Mandate (**Lead Manager Mandate**). Refer to Section 5.5 for details regarding the terms, conditions and fees payable under the Lead Manager Mandate.

The Offer is also fully underwritten by CPS. Refer to Section 5.6 for details regarding the terms, conditions and fees payable under the Underwriting Agreement.

RISK FACTORS

Refer to Section 2 for details of the risks associated with an investment in the Company. As with any securities investment, there are risks associated with investing in the Company. Investors should be aware that an investment in the Company involves risks that may be greater than risks associated with an investment in some other companies. The principal risks that could affect the financial and market performance of the Company are detailed in Section 2 of this Prospectus. The Securities on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, investors should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which they can be effectively managed is limited.

Risks of investing in the Company's existing assets and general risks are set out in Section 2 of this Prospectus.

Careful consideration should be given to all matters raised in this Prospectus and the relative risk factors prior to applying for Securities offered for subscription under this Prospectus. Investors should consider the risk factors described in Section 2, together with the information contained elsewhere in this Prospectus, before deciding whether to apply for Securities.

TIMETABLE AND IMPORTANT DATES

EVENT*	DATE
Announcement of Offer and lodgement of Appendix 3B with ASX	Wednesday 28 October 2020
Lodgement of Prospectus with ASIC and ASX	Friday 6 November 2020
Ex date (date from which Shares trade without entitlements to participate in the Offer)	Tuesday 10 November 2020
Record Date for determining Entitlements	Wednesday 11 November 2020
Prospectus and Entitlement and Acceptance Form despatched to Eligible Shareholders, and Company announces that this has occurred	Friday 13 November 2020
Opening date of the Offer	Friday 13 November 2020
Last day to extend Closing Date of the Offer	Tuesday 24 November 2020
Closing Date (5.00pm AWST)	Friday 27 November 2020
Securities quoted on a deferred settlement basis	Monday 30 November 2020
Announcement of results of the Offer	Tuesday 1 December 2020
Last day for the Company to issue the Securities under the Offer and lodge an Appendix 2A	Friday 4 December 2020
Quotation of securities issued under the Offer	Friday 4 December 2020

* This timetable is indicative only and subject to the Corporations Act and the ASX Listing rules, the Company reserves the right to change the above dates. The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date.

1. DETAILS OF THE OFFER

1.1 Rights Issue Offer

The Company is making a pro rata non-renounceable entitlement issue (**Rights Issue or Offer**) comprised of fully paid ordinary shares in the capital of the Company (**New Shares**) on the basis of three (3) New Shares for every four (4) existing Shares held, at an issue price of \$0.006 per New Share.

The purpose of the Offer and the intended use of funds raised are set out in Section 3.

Shares under the Offer will be offered at \$0.006 per New Share (**Issue Price**).

The maximum number of New Shares which may be issued under the Rights Issue Offer is 268,476,984 to raise approximately \$1,610,861 (before expenses, based on the capital structure of the Company as at the date of this Prospectus).

The number of New Shares to which you are entitled as an Eligible Shareholder is shown on the accompanying personalised Entitlement and Acceptance Form.

1.2 General Details

In the calculation of any Entitlement, fractions will be rounded up to the nearest whole number.

The New Shares offered pursuant to this Prospectus will rank equally with existing Shares on issue.

The full terms and conditions of the New Shares are set out in Section 4.

As at the date of this Prospectus, the Company has 357,969,312 Shares (including the recently issued Tranche 1 Placement Shares as described in the Company's announcement of 28 October 2020). Refer to Section 3.4 for further details of the Company's capital structure.

1.3 Lead Manager and Underwriter

The Company has appointed CPS as Lead Manager to the Offer pursuant to the Lead Manager Mandate. Refer to Section 5.5 for details regarding the terms, conditions and fees payable under the Lead Manager Mandate.

The Offer is fully underwritten by CPS (**Underwriter**). Refer to Section 5.6 for details regarding the terms, conditions and fees payable under the Underwriting Agreement.

1.4 Effect on Control

Underwriting by CPS

The Underwriter currently does not own any Shares in the Company. In the event that all Eligible Shareholders do not take up their Entitlements under the Offer, the issue of Shares under this Prospectus to the Underwriter may increase its interest in the Company and dilute the Shareholding of other Shareholders (to the extent Shareholders elect not to participate in the Offer, or are ineligible to participate in the Offer).

In accordance with the terms of the Underwriting Agreement, the Underwriter may allocate any available Shortfall to any potential sub-underwriters and/or clients and people who have otherwise agreed to assist with the underwriting of the Offer, such that neither the

Underwriter, any potential sub-underwriters nor any of the Underwriter's clients individually, will have a voting power in the Company in excess of 19.9% after the issue of the Shortfall.

The Underwriter has entered into sub-underwriting arrangements with Celtic Capital Pty Ltd A.T.F. The Celtic Capital Trust (**Sub-Underwriter**). Refer to Section 5.6 for further details. The Sub-Underwriter has a relevant interest in 31,422,712 Shares and 6,750,000 unlisted Options (exercisable at \$0.037 and expiring 30/06/2021) in the Company. If the Sub-Underwriter is required to sub-underwrite the Offer, its relevant interest in the Company will increase and this will dilute the Shareholding of other Shareholders. The sub-underwriting obligation and therefore the voting power of the Underwriter, Sub-Underwriter and its associates will reduce for the amounts of Entitlements accepted under the Offer.

The Company, in consultation with the Underwriter, will ensure that the Offer (including the equitable dispersion of any Shortfall) complies with the provisions of Chapter 6 of the Corporations Act, and is otherwise consistent with the policy guidelines contained in ASIC Regulatory Guide 6 and Takeovers Panel Guidance Note 17.

1.5 Potential Dilution on non-participating Shareholders

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 45% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).

For illustrative purposes, the table below shows how the dilution may impact the holdings of Shareholders:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	357,969	0.10%	268,477	357,969	0.06%
Shareholder 2	3,579,693	1.00%	2,684,770	3,579,693	0.55%
Shareholder 3	35,796,931	10.00%	26,847,698	35,796,931	5.50%
Shareholder 4	71,593,862	20.00%	53,695,397	71,593,862	11.00%
Shareholder 5	357,969,312	100.00%	268,476,984	357,969,312	55.02%

1.6 No Rights Trading

The rights to Securities under the Offer are non-renounceable. Accordingly, there will be no trading of rights on ASX and you may not dispose of your right to subscribe for New Shares to another party. If you do not take up your Entitlement under the Offer by the Closing Date, the Offer to you will lapse.

1.7 Minimum Subscription

There is no minimum subscription under the Offer.

1.8 Opening and Closing Dates

The Offer will open for receipt of acceptances on **Friday, 13 November 2020**.

The Offer will close at **5:00pm AWST on Friday, 27 November 2020**, or such later date as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, may determine and provided that the Company gives ASX notice of the change at least 3 Business Days prior to the Closing Date.

1.9 How to Accept the Rights Issue Offer

The number of New Shares to which you are entitled is shown in the accompanying Entitlement and Acceptance Form.

In determining Entitlements, any fractional Entitlement will be rounded up to the nearest whole number.

Acceptance of Entitlement in Full

To take up all of your Entitlement complete the Entitlement and Acceptance Form (accompanying the Prospectus) in accordance with the instructions set out on the reverse of that form.

Please return the completed Entitlement and Acceptance Form (unless you pay by BPAY®), and pay the Application Monies (in full), in accordance with the instructions on your Entitlement and Acceptance Form to the Share Registry so that is received no later than 5.00pm AWST on the Closing Date.

Partial Acceptance of Entitlement

If you are an Eligible Shareholder and wish to take up part of your Entitlement pursuant to the Entitlement Issue, please complete the Entitlement and Acceptance Form in accordance with the instructions set out on the reverse of that form.

Non- Participation – Allow your Entitlement to Lapse

If you do not wish to take up any part of your Entitlement under the Entitlement Issue, you are not required to take any action. If you decide not to accept all or part of your Entitlement, the New Shares not accepted will be dealt with in accordance with Section 1.10.

Acceptance of Terms

All applications for New Shares under the Offer must be made in accordance with the instructions set out on the Entitlement and Acceptance Form. Any application will be treated as an offer from the applicant to acquire New Shares on the terms and conditions set out in the Prospectus. The Directors reserve the right to reject any applications for New Shares. Please ensure the completed Entitlement and Acceptance Form and your cheque is received by post to the Company's Share Registry at:

Protean Energy Ltd
C/- Link Market Services Limited
Reply Paid 3560
Sydney NSW 2001

Those who elect to pay via cheque, please make the cheque payable to '**Protean Energy Ltd**' and cross it '**Not Negotiable**'. Completed Entitlement and Acceptance Forms with payment by cheque must be received by the Company's Share Registry not later than 5.00pm AWST on the Closing Date of **Friday, 27 November 2020** .

Those who elect to pay via BPAY must follow the instructions for BPAY set out in the Entitlement and Acceptance Form. Investors who elect to pay via BPAY will not need to return their completed Entitlement and Acceptance Form.

Please note that payment via BPAY must be received by the Company's Share Registry by no later than 5.00pm AWST on Friday, 27 November 2020. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through

BPAY by the date and time mentioned above. If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form. If you have multiple holdings you will have multiple BPAY customer reference numbers. To ensure you receive your Entitlement in respect of that holding, you must use the customer reference number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

Enquiries

If you have any queries regarding your Entitlement or the Rights Issue Offer, please contact Link Market Services on 1300 554 474 from 8.30am to 5.00pm WST, Monday to Friday.

1.10 Shortfall

Any Entitlement not taken up pursuant to the Offer will form the Shortfall.

There is no Shortfall offer made pursuant to this Prospectus. Accordingly, do not apply for Shortfall Shares.

Allocation of the Shortfall Shares will be at the sole discretion of the Underwriter, following reasonable consultation with the Company, and will otherwise be subject to the terms of the Underwriting Agreement, the terms of which are summarised in Section 5.6.

Shortfall Shares will be issued no later than 15 Business Days after the close of the Offer.

The issue price of each Shortfall Share to be placed shall be \$0.006 being the price at which New Shares have been offered under the Offer.

The Directors note that no Shares will be issued to an applicant under this Prospectus, or issued under the Shortfall, if the issue of Shares would contravene the takeover prohibition in section 606 of the Corporations Act. Similarly, no Shortfall Shares will be issued to any related parties of the Company.

1.11 Australian Securities Exchange Listing

Application for Official Quotation of the Securities offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Securities offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Securities and will repay all application monies for the Securities within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the Securities now offered under this Prospectus.

1.12 Issue of Securities

The Securities to be issued pursuant to the Offer will be issued in accordance with the Timetable and Important Dates and otherwise in accordance with the Listing Rules.

Where the number of Securities issued is less than the number applied for, surplus Application Monies will be refunded without any interest to the Applicant as soon as practicable after the issue of Securities.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Offer will be mailed in accordance with the Timetable and Important Dates and otherwise in accordance with the Listing Rules.

1.13 CHESS and Issuer Sponsorship

The Company operates an electronic CHESS sub-register and an electronic issuer sponsored sub-register. These two sub-registers make up the Company's register of securities. The Company will not issue certificates to investors. Rather, holding statements (similar to bank statements) will be dispatched to investors as soon as practicable after issue.

Holding statements will be sent either by CHESS (for new investors who elect to hold their securities on the CHESS sub-register) or by the Company's Share Registry (for new investors who elect to hold their securities on the Issuer sponsored sub-register). The statements will set out the number of Securities issued under the Prospectus and provide details of a Holder Identification Number (for new investors who elect to hold their securities on the Chess sub-register) or Security holder Reference Number (for new investors who elect to hold their securities on the issuer sponsored sub-register). Updated holding statements will also be sent to each new investor following the month in which the balance of their holding of Securities changes, and also as required by the Listing Rules or the Corporations Act.

1.14 Risks

As with any securities investment, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are detailed in Section 2 of this Prospectus. The Securities on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, investors should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

1.15 Overseas Shareholders

The Company is of the view that it is unreasonable to make an offer under this Prospectus to Shareholders outside of Australia and New Zealand having regard to:

- (a) the number of Shareholders registered outside of Australia and New Zealand;
- (b) the number and value of the New Shares that would be offered to Shareholders registered outside of Australia and New Zealand; and
- (c) the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

Accordingly, the Company is not required to offer the New Shares under this Prospectus to Shareholders registered outside of Australia and New Zealand.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come 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 Securities the subject of this Prospectus or otherwise permit a public offering of the Securities the subject of this Prospectus in any jurisdiction outside Australia.

New Zealand

The Offer is not being made to the public in New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the Offer is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Nominees and custodians

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident in other jurisdictions are responsible for ensuring that applying for Shares under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

1.16 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them by consulting their own professional tax advisers. Taxation consequences will depend on particular circumstances. Neither the Company nor any of its officers accept any liability or responsibility in respect of the taxation consequences of the matters referred to above or any other taxation consequences connected with an investment in the Securities of the Company.

1.17 Privacy Disclosure

Persons who apply for Securities pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess applications for securities to provide facilities and services to Shareholders and Shareholders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If the information requested is not supplied, applications for Securities will not be processed. In accordance with privacy laws, information collected in relation to specific Shareholders and Shareholders can be obtained by that Shareholder or Shareholder through contacting the Company or the Share Registry.

1.18 Enquiries

This document is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, solicitor, accountant or other professional adviser without delay.

If you have any questions regarding your Entitlement or the Offer, please contact Link Market Services on 1300 554 474, from 8.30am to 5.00pm WST, Monday to Friday.

2. RISK FACTORS

2.1 Introduction

The Securities offered under this Prospectus should be considered speculative because of the nature of the Company's business.

Whilst the Directors recommend that Shareholders take up their Entitlement, there are however numerous risk factors involved. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which the New Shares will trade.

The following is a summary of the more material matters to be considered and should be read in conjunction with specific matters referred to in the Company's announcements and reports. However, the summary is not exhaustive and potential investors should examine the contents of this Prospectus in its entirety and consult their professional advisors before deciding whether to apply for the Securities.

2.2 Company specific risks

The Company is an exploration company with vanadium project interests in the Republic of Korea (**Korea**). The projects are currently in the exploration phase. There are certain risks that the Company is not currently exposed to due to the Company not being in the development and production phases, however, the current risks which are common and/or relevant to the exploration and general operations of the Company and are highlighted below.

The scope of the Company's operations, the nature of the vanadium industry and external economic factors mean that a range of factors may impact the Company's results. The following is not intended to be an exhaustive list of the risk factors that could impact the Company's results and performance and should be read in conjunction with specific matters referred to in the Company's announcements and reports.

2.2.1 Additional requirements for capital

As the Company is in the exploration phase and has finite financial resources, additional financing will be required in order to meet its minimum expenditure commitments for its licence permits and to carry out its vanadium exploration activities.

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

No assurance can be given that future funding will be available to the Company on favourable terms (or at all). If adequate funds are not available on acceptable terms the Company may not be able to further develop its projects and it may impact on the Company's ability to continue as a going concern.

2.3 Industry specific risks

2.3.1 Exploration, operations and activities risk

The Company's exploration activities on the Gwesan vanadium project in the Republic of South Korea may be subject to a number of risks inherent in such operations, including:

- (a) regulation by state and local governments;
- (b) costs of complying with environmental laws and regulatory requirements; and
- (c) as the projects are in exploration phase, there is a risk that the exploration will not discover sufficient volumes of vanadium for commercial development.

Additionally, the Company's activities carry risk as such activities may be curtailed, delayed or cancelled as a result of weather conditions, delayed or cancelled as a result of permitting and third party approvals, mechanical difficulties, shortages or delays in the delivery of other equipment and the effects of geographical remoteness.

The operations of the Company may be affected by various factors, including failure to locate or identify minerals, failure to achieve predicted grades in exploration, operational and technical difficulties encountered by exploration companies, difficulties in commissioning and operating plant and equipment, mechanical failure or plant break down, unanticipated conditions or problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration of its project interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

2.3.2 Health, safety and environmental matters

Exploration, development and production of vanadium and other minerals involves risks which may impact the health and safety of personnel, the community and the environment. Industry operating risks include fire, explosions, blow outs, pipe failures, abnormally pressured formations and environmental hazards such as accidental spills or discharge of toxic substances. Failure to manage these risks could result in injury or loss of life, damage or destruction of property and damage to the environment. Losses or liabilities arising from such incidents could significantly impact the Company's financial results.

2.3.3 Competition risk

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

2.3.4 Commodity and currency price risk

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. Fluctuations in the price of vanadium and other resources may have an impact on the economic viability of the Company's projects.

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

2.3.5 Government policy changes

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

2.3.6 Grant of applications

The Company has an interest granted exploration licence ID79161 known as the Gwesan vanadium project through its 50% owned entity Korea Vanadium Limited. In addition, Korea Vanadium Limited holds 100% of the rights to an additional three tenements known as the Daejon vanadium project. The Daejon Vanadium project tenements are the subject of an open hearing with the Mining Registration Office in South Korea in late November 2020 to determine whether a 1 year extension of term may be granted on the tenements. There can be no assurance that permit applications that are currently pending will be granted. There can also be no assurance that if and when the permits are granted, they will be granted in their entirety. Some of the permit area applied for may be excluded.

The Company's project interests are governed by the mining acts and regulations that are current in Korea, and are evidenced by the granting of exploration licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, if the additional exploration licences are granted, the Company could lose title to or its interest in its projects if license conditions are not met or if insufficient funds are available to meet expenditure commitments.

2.4 Jurisdiction – Specific Risks

2.4.1 Risks associated with operating in the Republic of Korea (Korea)

The Company conducts exploration activities in Korea. The Company's properties in Korea may be subject to the effects of political changes, war and civil conflict, currency non-convertibility or instability and changes of law affecting foreign ownership, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations that require employment of local staff or contractors or require other benefits to be provided to local residents.

These changes may impact the profitability and viability of the Company's tenements. The effect of instability on political, social or economic conditions in Korea could result in the impairment of exploration, development and future mining operations and the Company's legal title to its mineral tenements. Any such changes are beyond the control of the Company and may adversely affect its business.

The Company's key assets are its interests in exploration tenements in Korea. Changes in Korea's laws and regulations may have a significant effect on the Company's exploration

operations, especially changes to environmental, mining, grant or renewal of concessions, royalties and taxation.

The Company raises capital in Australian Dollars (AUD) and the majority of its forecast expenditure is denominated in Korean Won (KRW). Changes in the AUD:KRW currency exchange rate will impact AUD required to fund planned expenditure in Korea.

2.5 General risks

2.5.1 General economic and political risks

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

2.5.2 Equity market conditions

Securities listed on the stock market can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of Securities may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general.

General factors that may affect the market price of Securities include economic conditions in both Australia and internationally (particularly Australian, US and Chinese economic conditions), investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

2.5.3 Litigation risks

The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

2.5.4 Potential acquisitions

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

2.5.5 Reliance on key personnel

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

2.5.6 Insurance

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

2.5.7 Unforeseen expenditure risks

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

2.5.8 Coronavirus (COVID-19) risks

The outbreak of the coronavirus pandemic (COVID-19) is impacting on global economic markets. The nature and the extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any government or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company. The Directors are monitoring the situation and have considered the impact of COVID-19 on the Company's business and financial performance. With the situation continually evolving, the consequences are therefore inevitably uncertain at this point in time.

2.6 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 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 the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

3. PURPOSE AND EFFECT OF THE OFFER

3.1 Purpose of the Rights Issue Offer

The purpose of the Rights Issue Offer is to raise approximately \$1,610,861 (before expenses). The application of funds raised from the Offer is summarised below.

For the purposes of detailing the use of funds raised under this Prospectus, it is assumed no existing options on issue are converted into Shares between the date of this Prospectus and the Record Date.

The funds raised from the Offer are planned to be used, in accordance with the table set out below, for the following purposes:

- (a) for continued exploration on the Gwesan vanadium project;
- (b) for ongoing maintenance and assessment of Daejon project, subject to the pending extension of term application;
- (c) to identifying and evaluating any new opportunities that may complement the Company's existing projects;
- (d) to augment working capital; and
- (e) to cover costs of the Offer.

Use of Funds	Amount (\$)
Funds raised from Placement	385,000
Funds raised under Offer (assuming full subscription)	1,610,861
Items of Expenditure	Amount (\$)
Exploration expenditure on the Gwesan vanadium project - Phase 1 ¹	50,000
Exploration expenditure on the Gwesan vanadium project - Phase 2 ²	72,000
Exploration expenditure on the Gwesan vanadium project - Phase 3 ³	70,000
Exploration expenditure on the Gwesan vanadium project - Phase 4 ⁴	118,000
Exploration expenditure on the Gwesan vanadium project - Phase 5 ⁵	200,000
Exploration expenditure on the Gwesan vanadium project - Phase 6 ⁶	285,000
Exploration expenditure on the Gwesan vanadium project - Phase 7 ⁷	580,000
Ongoing maintenance and assessment of Daejon project, subject to the pending extension of term application	25,000
Identifying and evaluating any new opportunities that may complement the Company's existing projects	150,000
Expenses of the Offer ⁸	30,000
Working capital ⁹	415,861
Total	1,995,861

Notes:

- 1 Phase 1 is proposed to include: A site visit, review of project history and existing reports, review of geology and mineralisation, and preparation of exploration plan
- 2 Phase 2 is proposed to include: A geological survey to gain a field-based understanding of project's geology and mineralisation. The geological field reconnaissance will focus on locating structural trends of mineralisation and identifying soil sampling targets.

- 3 Phase 3 is proposed to include: Subject to results of Phase 1 and 2, soil sampling program of approximately 500 soil samples will be taken to develop exploration prospects. POW expects to commence permitting applications to enable Phase 3 in January 2021.
- 4 Phase 4 is proposed to include: Subject to results of Phase 3, a trenching program of approximately 500m. POW expects to commence permitting applications to enable Phase 4 at the conclusion of Phase 3.
- 5 Phase 5 is proposed to include: Subject to results of Phase 4, an Auger drilling program consisting of approximately 2000 Auger samples. POW expects to commence permitting applications to enable Phase 5 at the conclusion of Phase 4.
- 6 Phase 6 is proposed to include: An Aeromagnetic survey will be conducted to assess mineralisation potential of project area and to identify any structural trends. The survey lines will comprise approximately 1000 line-km with 20m line-spacing to cover the project area. POW expects to commence permitting applications to enable Phase 6 at the conclusion of Phase 5.
- 7 Phase 7 is proposed to include: Subject to results of Phase 5, a Drill program, drilled to a depth of 100m for a total of 1500m, targeted toward the best potential of subsurface based on Phases 1-6. POW expects to commence permitting applications to enable Phase 7 at the conclusion of Phase 6.
- 8 Refer to Section 5.10 of this Prospectus for details regarding the estimated expenses of the Offer.
- 9 Funds allocated to working capital will be used for administration expenses of the Company, including corporate overheads, director and staff fees and other administration and regulatory overheads.

In the event the Company raises less than \$1,610,861 under the Offer, allocation of funds after an associated reduction in the costs of the Offer will be scaled back from at the Directors' discretion.

The above table is a statement of current intentions as at the date of this Prospectus. As with any budget, intervening events (such as project and general market risk factors affecting the Company) and new circumstances have the potential to affect the ultimate way funds will be applied. The Directors reserve the right to alter the way funds are applied on this basis.

On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve these objectives.

3.2 Effect of the Offer

The principal effect of the Offer (assuming full subscription) will be that:

- (a) cash reserves will increase by approximately \$1,610,861 (before expenses) immediately after completion of the Offer; and
- (b) 268,476,984 New Shares will be issued (to be issued under the Offer).

In addition to the effect of the Offer, as announced to ASX on 28 October 2020, the Company will also issue, subject to Shareholder approval, the following additional Securities:

- (a) an additional 24,166,667 Shares under Tranche 2 of the Placement; and
- (b) 40,000,000 Options to CPS in respect of its Lead Manger Services (exercisable at \$0.01 each, expiring 3 years from their date of issue).

A summary of all Securities the Company will have on issue after the Offer is outlined in Section 3.4.

3.3 Pro Forma Statement of Financial Position

Set out in Annexure A is an unaudited pro-forma statement of financial position of the Company prepared using the audited statement of financial position of the Company as at 30 June 2020 and on the basis of the accounting policies normally adopted by the Company

and reflect the changes to its financial position. They have been prepared on the assumption that all Securities offered under this Prospectus, and the Placement, are issued.

The statements of financial position have been prepared to provide information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

3.4 Effect on Capital Structure

A comparative table of changes in the capital structure of the Company as a consequence of the Offer is set out below, assuming that the Offer is fully subscribed and no performance rights are converted into Shares prior to the Record Date.

Security	Number
Shares	
Shares on issue as at the date of this Prospectus ¹	357,969,312
New Shares offered pursuant to the Rights Issue Offer	268,476,984
Total Shares on issue on completion of the Rights Issue Offer	626,446,296
Tranche 2 Placement Shares to be issued subject to Shareholder approval ²	24,166,667
Total Shares on issue on completion of the Offer and Placement	650,612,963
Options	
Options on issue as at the date of this Prospectus ³	85,000,000
Total Options on issue on completion of the Offer	85,000,000
Lead Manager Options subject to Shareholder approval ⁴	40,000,000
Total Options on issue on completion of the Offer, Placement and Acquisition	125,000,000

Notes:

- 1 Shares currently on issue include 40,000,000 Shares issued under the Tranche 1 Placement on 4 November 2020.
- 2 As announced to ASX on 28 October 2020, the Company will also issue, subject to Shareholder approval, an additional 24,666,667 Shares under the Tranche 2 Placement. Shareholder approval for the issue of these Shares will be sought at the Company's upcoming annual general meeting.
- 3 As announced to ASX on 28 October 2020, the Company will also issue, subject to Shareholder approval, an additional 40,000,000 Options to the Lead Manager, exercisable at \$0.01, expiring 3 years from date of issue.

3.5 Details of substantial holders

Based on public information as at the date of this Prospectus, no persons is holding 5% or more of the Company's securities are.

4. RIGHTS ATTACHING TO SECURITIES

4.1 Terms and Conditions of New Shares

All New Shares issued will rank pari passu in all respects with the Company's existing ordinary fully paid shares. The Company will apply for Official ASX Quotation of all New Shares issued under the Offer.

4.2 Rights and Liabilities Attaching to Shares

The following is a general description of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive. Full details of provisions relating to rights attaching to the Shares are contained in the Corporations Act, the Listing Rules and the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

- (a) At the date of this Prospectus all Shares are of the same class and rank equally in all respects. Specifically, the New Shares offered under this Prospectus will rank equally with existing Shares on issue.
- (b) Subject to any special rights or restrictions (at present there are none), at any meeting each member present in person or by proxy has one vote on a show of hands, and on a poll has one vote for each Share held.
- (c) Subject to any special rights (at present there are none), any dividends that may be declared by the Company are payable on all Shares in proportion to the amount paid up.
- (d) The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares of the affected class, or with the sanction of a special resolution passed at a meeting of the holders of the Shares of the affected class.
- (e) Subject to the Company's Constitution, the Corporations Act or any other applicable laws of Australia and the Listing Rules, the Shares are freely transferable. The Directors may refuse to register a transfer of Shares only in limited circumstances where the applicable laws permit it to do so.
- (f) Each Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution, the Corporations Act and the Listing Rules.
- (g) If the Company is wound up, the liquidator may, with the sanction of a special resolution:
 - (i) divide among the Shareholders the whole or any part of the Company's property; and
 - (ii) decide how the division is to be carried out between the Shareholders.
- (h) Subject to any special rights (at present there are none), any surplus assets on a winding up are to be distributed to Shareholders in proportion to the number of Shares held by them and in proportion to the amounts paid or credited as paid.

5. ADDITIONAL INFORMATION

5.1 Nature of this Prospectus

The New Shares to be issued pursuant to this Prospectus are continuously quoted securities. This Prospectus is issued under the special prospectus content rules for continuously quoted securities in Section 713 of the Corporations Act. This enables listed disclosing entities, such as the Company, to issue a prospectus for continuously quoted securities with modified disclosure requirements if they satisfy certain requirements.

The information in this Prospectus principally concerns the terms and conditions of the Offer and the information reasonably necessary to make an informed assessment of:

- (a) the effect of the Offer on the Company; and
- (b) the rights and liabilities attaching to the New Shares offered pursuant to this Prospectus and the underlying securities.

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

5.2 Continuous Reporting and Disclosure Obligations

As the Company is admitted to the official list of ASX, the Company is a “disclosing entity” for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

Price sensitive information is publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants is also managed through disclosure to ASX. In addition, the Company posts information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

Investors are encouraged to check and monitor any further announcements made by the Company to ASX prior to securities being issued under the Offer. To do so, please refer to the Company’s ASX announcements platform via www.asx.com.au.

By virtue of section 713 of the Corporations Act, the Company is entitled to issue a “transaction-specific” prospectus in respect of the Offer.

In general terms, a “transaction-specific prospectus” is only required to contain information in relation to the effect of the issue 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 and performance, profits and losses or prospects of the issuing company.

As a disclosing entity under the Corporations Act, the Company 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, an office 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 of the Company for the financial year ended 30 June 2020;
 - (ii) any half-year financial report of the Company lodged with ASIC after the lodgement of the annual financial report referred to above and before the lodgement of this Prospectus with ASIC; and
 - (iii) all continuous disclosure notices given by the Company after the lodgement of the annual financial report referred to above and before the lodgement of this Prospectus with ASIC (see below).

There is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules that investors or their professional advisers:

- (a) would reasonably require for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (ii) the rights and liabilities attaching to the securities the subject of this Prospectus; and
- (b) would reasonably expect to find in this Prospectus.

This Prospectus contains information specific to the Offer. If investors require further information in relation to the Company, they are recommended to take advantage of the opportunity to inspect or obtain copies of the documents referred to above.

The following announcements have been lodged with ASX in respect of the Company since the Company lodged its annual financial report for the financial year ended 30 June 2020 on 28 August 2020.

Date	Title
04/11/2020	Cleansing Notice and Appendix 2A
02/11/2020	Disposal of KORID Energy Interest
30/10/2020	Change of Company Address
29/10/2020	Quarterly Activities Report
29/10/2020	Appendix 4C - quarterly
28/10/2020	Proposed issue of Securities – POW
28/10/2020	Proposed issue of Securities – POW
28/10/2020	Capital Raising and Entitlement Offer
26/10/2020	Trading Halt
21/10/2020	Gwesan Vanadium Project Exploration Programme
14/10/2020	Initial Directors' Interest Notices
14/10/2020	Final Director's Interest Notice
14/10/2020	Board & Management Update
04/09/2020	Ceasing to be a substantial holder from MQG

Date	Title
03/09/2020	Ceasing to be a substantial holder
02/09/2020	Change in substantial holding from MQG
31/08/2020	Change in substantial holding
28/08/2020	Annual Report 2020

5.3 Market Price of Shares

The highest and lowest closing prices of Shares on the ASX during the 3 months preceding the date of this Prospectus, and the closing price on the trading day before the date of this Prospectus, are set out below.

	Price	Date(s)
Highest	\$0.021	26 August 2020
Lowest	\$0.007	28 July 2020
Last	\$0.012]	5 November 2020

5.4 Litigation

The Directors are not aware of any legal proceedings which have been threatened or actually commenced against the Company.

5.5 Lead Manager Mandate

Pursuant to the Lead Manager Mandate CPS provided lead manager services in relation to the Company's recent Placement and will receive:

- (a) a lead manager placement fee of 6%; and
- (b) 40,000,000 unquoted options exercisable at \$0.01 on or before the date that is three years from the date of issue at an issue price of \$0.00001 (**Lead Manager Options**) subject to shareholder approval.

CPS has also been appointed as the Company's Corporate advisor and will receive a corporate advisory fee of \$6,000 (plus GST) per month for 12 months.

Additionally, CPS will also receive a corporate fee of 6% for any funds raised by the Company in the event the Lead Manager Options are exercised.

The Lead Manager Mandate also contains other terms, conditions, warranties and representations considered standard for an agreement of this type.

5.6 Underwriting Agreement and Sub-Underwriting Arrangements

Pursuant to an agreement between the Underwriter and the Company, the Underwriter has agreed to fully underwrite the Offer (**Underwriting Agreement**).

Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriter an underwriting fee of 6% of the total gross amount underwritten by the Underwriter (equating

to approximately \$96,651). The Company will also pay the Underwriter its reasonable costs and expenses incidental to the Offer.

The Underwriter may appoint sub-underwriters to sub-underwrite the Offer. The appointment of any sub-underwriter and the allocation of any Underwritten Securities is at the sole discretion of the Underwriter and any fees payable to any sub-underwriters are payable by the Underwriter. In this respect, the Underwriter has entered into sub-underwriting arrangements with Celtic Capital Pty Ltd A.T.F. The Celtic Capital Trust (**Sub-Underwriter**) on terms not inconsistent with the Underwriting Agreement. In the event the Sub-Underwriter takes up any Shortfall, the Underwriter will pay the Sub-Underwriter a sub-underwriting fee of 4.05% of the total gross amount sub-underwritten by the Sub-Underwriter.

The obligation of the Underwriter to underwrite the Offer is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if any one of the following events occur:

- (a) (**Indices fall**): any of the following indexes closes on any 2 consecutive trading days following the Closing Date 10% or more below its respective level as at the close of business 28 October 2020:
 - (i) Dow Jones;
 - (ii) S&P 500;
 - (iii) Nasdaq;
 - (iv) Russell 2000;
 - (v) FTSE;
 - (vi) Nikkei; or
 - (vii) Shanghai SE Comp;
- (b) (**No Listing Approval**): the Company fails to lodge an Appendix 3B in relation to the Underwritten Shares with ASX within 7 days of the date of the Prospectus;
- (c) (**Restriction on issue**): the Company is prevented from issuing the Underwritten Shares within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- (d) (**Takeovers Panel**): the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt. 6.10 of the Corporations Act, which in the Underwriter's reasonable opinion has a material adverse effect;
- (e) (**Authorisation**): any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter acting reasonably;
- (f) (**Indictable offence**): a director or senior manager of the Company or any of its subsidiaries (each a **Relevant Company**) is charged with an indictable offence, which in the reasonable opinion of the Underwriter has or is likely to have a material adverse effect on the Offer; and

- (g) **(Other Termination Events)** if any of the following events has a material adverse effect on the Offer:
- (i) **(Hostilities)**: there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Egypt, Australia, New Zealand, Indonesia, Japan, Russia, Iran, Israel, the United Kingdom, the United States of America, India, Pakistan, the People's Republic of China, or any member of the European Union, other than hostilities involving Libya, Afghanistan, Iraq, Syria, or Lebanon, and the Underwriter believes (on reasonable grounds) that the outbreak or escalation is likely to result in any of the indexes stipulated in (a) above falling by the percentage contemplated by (a) above;
 - (ii) **(Default)**: default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking which is incapable of remedy or is not remedied by the required date;
 - (iii) **(Incorrect or untrue representation)**: any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect in a material respect;
 - (iv) **(Contravention of constitution or act)**: a contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
 - (v) **(Adverse change)**: an event occurs which gives rise to a material adverse effect in relation to the Company's assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company;
 - (vi) **(Error in Due Diligence Results)**: it transpires that any of the results arising from the Offer's due diligence process was false, misleading or deceptive or that there was an omission from them that is materially adverse from the point of view of an investor;
 - (vii) **(Significant change)**: a "new circumstance" as referred to in Section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
 - (viii) **(Public statements)**: without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer or the Prospectus other than a statement the Company is required to make in order to comply with its disclosure obligations under the Listing Rules and/or the Corporations Act;
 - (ix) **(Misleading information)**: any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;
 - (x) **(Official Quotation qualified)**: other than has been disclosed to the underwriter and/or in the Prospectus, the official quotation is qualified or conditional (other than if the condition is the allotment of the Underwritten Shares);

- (xi) **(Change in Act or policy)**: there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy that has not been publicly disclosed or proposed as at the date of the Underwriting Agreement;
- (xii) **(Prescribed Occurrence)**: any of the following events occurring (other than as disclosed in the Prospectus):
 - (A) a Relevant Company converting all or any of its shares into a larger or smaller number of shares;
 - (B) a Relevant Company resolving to reduce its share capital in any way;
 - (C) a Relevant Company
 - (1) entering into a buy-back agreement; or
 - (2) resolving to approve the terms of a buy-back agreement under Section 257D or 257E of the Corporations Act;
 - (D) a Relevant Company issuing, or agreeing to issue, convertible notes;
 - (E) a Relevant Company charging, or agreeing to charge, the whole, or a substantial part, of its business or property;
 - (F) a Relevant Company resolving that it be wound up;
 - (G) the appointment of a liquidator or provisional liquidator of a Relevant Company;
 - (H) the making of an order by a court for the winding up of a Relevant Company;
 - (I) an administrator of a Relevant Company, being appointed under Section 436A, 436B or 436C of the Corporations Act;
 - (J) a Relevant Company executing a deed of company arrangement; or
 - (K) the appointment of a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of a Relevant Company;
- (xiii) **(Suspension of debt payments)**: the Company suspends payment of its debts generally;
- (xiv) **(Event of Insolvency)**: an Event of Insolvency (as defined in the Underwriting Agreement) occurs in respect of a Relevant Company;
- (xv) **(Judgment against a Relevant Company)**: a judgment in an amount exceeding \$50,000 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;
- (xvi) **(Litigation)**: litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against any Relevant Company, other than any claims foreshadowed in the Prospectus;

- (xvii) (**Board and senior management composition**): there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the Underwritten Shares without the prior written consent of the Underwriter (such consent not to be unreasonably withheld);
- (xviii) (**Change in shareholdings**): there is a material change in the major or controlling shareholdings of a Relevant Company (other than as a result of the Offer or a matter disclosed in the Prospectus) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
- (xix) (**Timetable**): there is a delay in any specified date in the timetable that is set out in Section 4.4 which is greater than 5 Business Days;
- (xx) (**Force Majeure**): a force majeure affecting the Company's business or any obligation under the Agreement lasting in excess of 7 days occurs;
- (xxi) (**Certain resolutions passed**): a Relevant Company passes or takes any steps to pass a resolution under sections 254N, 257A or 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (xxii) (**Capital Structure**): any Relevant Company alters its capital structure in any manner not contemplated by the Prospectus;
- (xxiii) (**Breach of Material Contracts**): any material contracts of the Company as disclosed to ASX and contained in the Prospectus are terminated or substantially modified;
- (xxiv) (**Investigation**): ASIC or any other person proposes to conduct any enquiry, investigation or proceedings, or to take any regulatory action or to seek any remedy, in connection with the Offer or the Prospectus, or publicly foreshadows that it may do so; or
- (xxv) (**Market Conditions**): a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

5.7 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director has, or had within two years before lodgement of this Prospectus with ASIC, any interest in:

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

and no amounts have been paid or agreed to be paid (in cash or securities or otherwise) and no benefits have been given or agreed to be given to any Director:

- (a) to induce him to become, or to qualify him as, a Director; or
- (b) for services rendered by him in connection with the formation or promotion of the Company or the Offer.

Remuneration

The remuneration (including superannuation unless stated otherwise) paid to the Directors for the two financial years prior to the date of this Prospectus, and proposed to be paid to the Directors for the current financial year (on an annualised basis), is set out below.

Director	FY 2018	FY 2019	FY 2020
Current			
Bevan Tarratt ¹	\$130,085	\$147,898	\$74,610
David Wheeler ²	\$36,000	\$36,000	\$36,000
Timothy Slate ³	N/A	N/A	N/A
Joe Graziano ⁴	N/A	N/A	N/A

Notes:

- 1 Appointed 19 September 2007
- 2 Appointed 16 May 2017
- 3 Appointed 14 October 2020
- 4 Appointed 14 October 2020

Securities

The securities in which the Directors and their associates have or are proposed to have relevant interests in at the date of this Prospectus are set out below.

Director ¹	Shares	Options exercisable at 3.7¢ exp 30/6/2021	Entitlement to New Shares
Bevan Tarratt	1,941,496	8,750,000	1,456,122
David Wheeler	-	9,750,000	N/A
Timothy Slate	-	-	N/A
Joe Graziano	-	9,750,000	N/A

Notes:

- 1 As at the Date of this Prospectus, the Directors do not currently intend to participate in the Offer.

5.8 Related Party Transactions

There are no other related party transactions entered into that have not otherwise been disclosed in this Prospectus.

5.9 Interests and Consents of Advisers

Other than as set out below or elsewhere in this Prospectus, no underwriter, promoter or any other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus holds, or has held within two years before lodgement of this Prospectus with ASIC, any interest in:

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

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any underwriter, promoter or any other 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, for services rendered by that person in connection with the formation or promotion of the Company or the Offer.

CPS has given, and has not withdrawn its consent to being named as Lead Manager and Underwriter to the Offer in this Prospectus in the form and context in which it is named. CPS has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in this Prospectus and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name. CPS has acted as Lead Manager and Underwriter in relation to the Offer. CPS will receive fees from the Company pursuant to the Lead Manager Mandate and Underwriter Agreements described in Sections 5.5 and 5.6. During the 24 months preceding lodgement of this Prospectus with the ASIC, CPS has received fees of approximately \$16,650 (excluding GST) in respect of corporate advisory and broking fees provided to the Company.

Nova Legal has given, and has not withdrawn its consent to being named as Solicitors to the Company in the Corporate Directory of this Prospectus in the form and context in which it is named. Nova Legal has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in this Prospectus and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name. Nova Legal has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Nova Legal approximately \$7,500 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Nova Legal has received fees of approximately \$13,000 (excluding GST) in respect of general legal services provided to the Company.

Link Market Services Limited (**Share Registry**) has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Entitlement and Acceptance Forms received pursuant to this Prospectus, and are paid for these services on standard industry terms and conditions. References to the Share Registry appear for information purposes only. The Share Registry has given and, as at the date hereof, has not withdrawn, its written consent to be named as Share Registry in the form and context in which it is named. The Share Registry has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registry to the Company. The Share Registry has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

BDO Audit (WA) Pty Ltd (**Auditor**) has given and, as at the date hereof, has not withdrawn, its written consent to use of the audited statement of financial position as at 30 June 2020 set out in Annexure A of this Prospectus. The Auditor has had no involvement in the preparation of any part of the Prospectus other than being named as Auditor to the Company.

The Auditor has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

5.10 Estimated Expenses of the Offer

In the event the Offer is fully subscribed, the estimated expenses of the Offer (excluding GST) are as follows:

Item	Amount (\$)
ASIC fees	\$3,206
ASX fees	\$7,624
Legal fees	\$7,500
Printing, registry and other expenses	\$11,670
Total	\$30,000

5.11 Electronic Prospectus

Pursuant to ASIC Regulatory Guide 107, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus or both.

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

6. DIRECTOR'S CONSENT

This Prospectus is dated 6 November 2020 and is issued by Protean Energy Ltd.

The Directors have made all reasonable enquires and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive.

This Prospectus is prepared on the basis that certain matters may reasonably be expected to be known to likely investors or their professional advisors.

Each of the Directors of Protean Energy Ltd has consented to the lodgement of this Prospectus in accordance with Section 720 of the Corporations Act and has not withdrawn that consent.

Signed for and on behalf of Protean Energy Ltd:

A handwritten signature in black ink, appearing to be 'T. Slate', written over a faint, illegible stamp or background.

Timothy Slate
Director and Joint Company Secretary

7. DEFINITIONS

AWST means Australian Western Standard Time.

Applicant means a person who applies for Securities pursuant to the Offer.

Application Form means an Entitlement and Acceptance Form.

Application Money means the aggregate amount of money payable for Securities applied for in the Entitlement and Acceptance Forms.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) operating as the Australian Securities Exchange.

Business Day means any day which is defined to be a Business Day pursuant to Listing Rule 19.12 of the Listing Rules.

CHESS means Clearing House Electronic Sub-register System of ASX Settlement Pty Ltd (ACN 008 504 532).

Closing Date means the closing date of the Offer being 5.00pm AWST on Friday, 27 November 2020 (unless extended).

Company means Protean Energy Ltd (ACN 119 267 391).

Constitution means the Company's Constitution as at the date of this Prospectus.

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

CPS or Lead Manager or Underwriter means CPS Capital Group Pty Ltd (AFSL 294848).

Cth means the Commonwealth of Australia.

Directors means directors of the Company.

Dollars or **\$** means dollars in Australian currency.

Eligible Shareholder means a Shareholder who has a registered address in Australia or New Zealand and who held Shares as at the Record Date.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form accompanying this Prospectus.

GST means goods and service tax levied in Australia pursuant to A New Tax System (Goods and Services Tax) Act 1999 (Cth).

Lead Manager Mandate means the mandate between the Company and CPS as described in Section 5.5.

Listing Rules means the Listing Rules of the ASX.

New Share means a Share issued pursuant to the Offer under this Prospectus.

Offer means the non-renounceable pro-rata offer of Shares under this Prospectus, as described in Section 1.1.

Offer Period means the period commencing on the Opening Date and ending on the Closing Date.

Official List means the official list of ASX.

Opening Date means Friday, 13 November 2020.

Option means an option to acquire a Share in the capital of the Company.

Placement means the Company's placement of Shares, as described in the Company's announcement date 28 October 2020.

Prospectus means this prospectus dated 6 November 2020.

Quotation and Official Quotation means official quotation on ASX.

Record Date means Wednesday, 11 November 2020.

Securities means Shares and/or Options.

Share means a fully paid ordinary share in the Company.

Shareholder means the holder of a Share as recorded in the register of the Company.

Share Registry means Advanced Share Registry Services.

Shortfall means those Securities under the Offer not applied for by Shareholders under their Entitlement.

Shortfall Shares means those New Shares issued pursuant to the Shortfall.

Underwriting Agreement means the underwriting agreement between the Company and CPS as described in section 5.6.

Annexure A – Pro-Forma Statement of Financial Position

Pro-Forma Statement of Financial Position as at 30 June 2020

	Audited Consolidated 30-Jun-20	Adjustment	Pro-Forma Unaudited Consolidated 30-Jun-20
	\$	\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	763,956	1,942,762	2,706,718
Receivables	17,670	-	17,670
Total Current Assets	<u>781,626</u>	<u>1,942,762</u>	<u>2,724,388</u>
Non-current Assets			
Fixed assets	26,231	-	26,231
Total Non-Current Assets	<u>26,231</u>	<u>-</u>	<u>26,231</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	151,645	-	151,645
Total Current Liabilities	<u>151,645</u>	<u>-</u>	<u>151,645</u>
Net Assets	<u>656,212</u>	<u>1,942,762</u>	<u>2,598,974</u>
EQUITY			
Issued capital	34,953,095	1,622,762	36,575,857
Reserves	7,745,787	320,000	8,065,787
Accumulated losses	(42,042,790)	-	(42,042,790)
Capital and reserves attributable to owners	<u>656,092</u>	<u>1,942,762</u>	<u>2,598,854</u>
Non-controlling interest	120	-	120
TOTAL EQUITY	<u>656,212</u>	<u>1,942,762</u>	<u>2,598,974</u>

The above pro forma of audited Consolidated Statement of Financial Position has been prepared on the basis that there have been no material movements in the assets and liabilities of the Company between 30 June 2020 and the completion of the Offer other than:

- 1 completion of the Offer, by way of full subscription and issue of 268,476,984 New Shares at an issue price of \$0.006 per New Share to raise up to \$1,610,861 (before costs);
- 2 completion of the Placement, by way of full subscription and issue of:
 - (a) 40,000,000 Shares under tranche 1 of the Placement pursuant to the Company's placement capacity under ASX Listing Rules 7.1; and

- (b) 24,666,667 Shares under tranche 2 of the Placement, subject to Shareholder approval at the Company's upcoming annual general meeting;
 - (c) 40,000,000 Options to CPS under the Lead Manager Mandate, subject to Shareholder approval at the Company's upcoming general meeting;
- 3 expenses of the Offer (assuming full subscription) are estimated at \$30,000 and have been offset against proceeds of the Offer;
 - 4 expenses of the Placement (assuming full subscription) are estimated at \$23,100 and have been offset against proceeds of the Placement; and
 - 5 all Shares issued valued at \$0.006 per share.