

KAISER REEF LIMITED
ACN 635 910 271

ENTITLEMENT ISSUE PROSPECTUS

For a pro-rata non-renounceable entitlement issue of 1 Share for every 8 Shares held by those Shareholders registered at the Record Date at an issue price of \$0.20 per Share to raise up to \$3,122,472 (based on the number of Shares on issue as at the date of this Prospectus) (**Offer**).

The Prospectus also contains an offer of up 6,000,000 options at an exercise price of \$0.30 expiring on 30 September 2024 (**Option Offer**).

This Offer is fully underwritten by Westar Capital Ltd (AFSL 255789) (**Underwriter**). Refer to Annexure A for details regarding the terms of the underwriting.

IMPORTANT NOTICE

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

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

IMPORTANT NOTICE

This Prospectus is dated 6 September 2021 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

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

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

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

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

This Prospectus is a short form prospectus issued in accordance with section 712 of the Corporations Act. This means this Prospectus alone does not contain all the information that is generally required to satisfy the disclosure requirements of the Corporations Act. Rather, it incorporates all necessary information by reference to information contained in documents which have been lodged with ASIC on certain dates.

This Prospectus incorporates the ASX announcement, "A1 Gold Mine: Mining and Exploration Update" released by the Company on 24 August 2021 (**August Announcement**) and Quarterly Activities Report released by the Company on 30 July 2021 (**Quarterly Report**) (together, **Incorporated Documents**).

In referring to the Incorporated Documents, the Company:

- (a) identifies the December Prospectus as being relevant to the Offer under this Prospectus and containing information that will provide investors and their professional advisers with information to assist them in making an informed assessment of:
 - (i) the rights and liabilities attaching to the Shares; and
 - (ii) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company;

- (b) identifies the August Announcement as being relevant to the Offer under this Prospectus and containing information that will provide investors and their professional advisers with information to assist them in making an informed assessment of the A1 Mine and exploration activity.

- (c) refers investors and their professional advisers to Section 5 which summarises the information in the Incorporated Documents taken to be included in this Prospectus;

- (d) notes that any person is able to obtain, free of charge, a copy of the Incorporated Documents by contacting the Company at its registered office in Australia during normal business hours during the offer period; and

- (e) advises that Section 5 contains sufficient information about the contents of the Incorporated Documents to allow a person to whom the Offer is made to decide whether to obtain a copy of those documents.

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

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Forward-looking statements

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

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

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

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

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

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6.

Overseas shareholders

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

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

For further information on overseas Shareholders please refer to Section 2.10.

Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the 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 of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

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

Please refer to Section 7.2 for further details.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at <https://www.kaiserreef.com.au/investors>. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian or New Zealand resident and must only access this Prospectus from within Australia or New Zealand.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 8 9481 0389 during office hours or by emailing the Company at admin@kaiserreef.com.au.

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

Company Website

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

Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory

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

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

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

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

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

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 8.

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

Privacy statement

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

distribution payments and corporate communications to you as a Shareholder.

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

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

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offer please call the Company Secretary on +61 (08) 9481 0389.

CORPORATE DIRECTORY

Directors

Adrian Byass
Non-Executive Chairman

Jonathan Downes
Executive Director

Stewart Howe
Executive Director

Company Secretary

Aida Tabakovic

Stephen Brockhurst

Registered Office

Level 11
216 St Georges Terrace
PERTH WA 6000

Telephone: + 61 8 9481 0389

Email: admin@kaiserreef.com.au

Website: www.kaiserreef.com.au

Auditor*

BDO (WA) Pty Ltd
38 Station St
SUBIACO WA 6008

Share Registry*

Automic Pty Ltd
Level 2, 267 St Georges Terrace
PERTH WA 6000

Telephone: +61 2 9698 5414

Legal Advisers

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

Lead Manager and Underwriter

Westar Capital Ltd
(AFSL 255789)
Level 4, 216 St Georges Terrace
PERTH WA 6000

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

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1. KEY OFFER INFORMATION

1.1 Timetable

Lodgement of Prospectus with the ASIC	6 September 2021
Lodgement of Prospectus and Appendix 3B with ASX	6 September 2021
Ex date	15 September 2021
Record Date for determining Entitlements	16 September 2021
Offer opens (Prospectus sent out to Shareholders)	21 September 2021
Last day to extend the Closing Date	30 September 2021
Closing Date for applications in accordance with the Offer as at 5:00pm*	5 October 2021
Securities quoted on a deferred settlement basis	6 October 2021
ASX and Underwriter notified of under subscriptions	6 October 2021
Underwriter subscribes for Shortfall under terms of Underwriting	8 October 2021
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Shares	12 October 2021

*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. Accordingly, the date the Shares are expected to commence trading on ASX may vary.

1.2 Key statistics of the Offer

Shares

	Full Subscription
Offer Price per Share	\$0.20
Entitlement Ratio (based on existing Shares)	1 for 8
Shares on issue as at the date of this Prospectus	114,898,877
Shares to be issued pursuant to the Placement announced on 6 September 2021 ¹	10,000,000
Shares on issue as at the record date for the Entitlement Offer	124,898,877
Shares to be issued under the Offer	15,612,360
Gross proceeds of the issue of Shares	\$3,122,472
Shares on issue Post-Offer	140,511,237

Notes:

1. The Company has received firm commitments for the issue of 10,000,000 fully paid ordinary shares to Exempt Investors at an issue price of \$0.20 per Share pursuant to a private placement announced to ASX on 6 September 2021. It is intended that these Shares will be issued prior to the Record Date for the Offer, and that the recipients of these Shares can participate in the Offer.

Options

	Number
Options currently on issue ¹	12,094,800
Options to be issued under the Underwriter Options Offer ²	6,000,000
Total Options on issue after completion of the Offer	18,094,800
Additional Options to be issued to the Underwriter, subject to shareholder approval ³	2,000,000
Options on issue after completion of the Offer and the issue of the additional Options to the Underwriter	20,094,800

Notes:

1. Comprising 4,250,000 Options exercisable at \$0.30 each on or before 31 January 2023, 4,500,000 Options exercisable at \$0.40 each on or before 31 January 2024, 1,750,000 Options exercisable at \$0.30 each on or before 21 February 2023, 250,000 Options exercisable at \$0.40 each on or before 10 August 2022 and 1,344,800 Options exercisable at \$0.50 each on or before 8 January 2024
2. Options exercisable at \$0.30 each on or before 30 September 2024. Full terms and conditions of the Underwriter Options are set out in Section 4.2 and the Underwriting Agreement is summarised in Annexure A.
3. The Company has agreed, subject to obtaining Shareholder approval, to issue 2,000,000 Underwriter Options exercisable at \$0.30 each on or before 30 September 2024, pursuant to the Underwriting Agreement. If approved by shareholders, the Options will be issued after the Record Date for the Offer.

1.3 Key Risk Factors

Prospective investors should be aware that subscribing for Securities involves a number of risks and an investment in the Company should be considered as highly speculative. The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are set out in Section 6.

These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

1.4 Directors' Interests in Securities

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

Director	Shares	Options	Share Entitlement
Adrian Byass	3,000,000	4,000,000 ¹	375,000
Jonathan Downes	3,185,000	4,000,000 ²	398,125
Stewart Howe	100,000	Nil	12,500

Notes:

1. Comprising 2,000,000 options exercisable at \$0.30 on or before 31 January 2023 and 2,000,000 options exercisable at \$0.40 on or before 31 January 2024.
2. Comprising 2,000,000 options exercisable at \$0.30 on or before 31 January 2023 and 2,000,000 options exercisable at \$0.40 on or before 31 January 2024.

The Board recommends all Shareholders take up their Entitlements. The Directors reserve the right to take up their respective Entitlement in whole or in part at their discretion.

1.5 Details of Substantial Holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Bath Resources Pty Ltd	6,666,667	5.80

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

1.6 Underwriting and sub-underwriting

The Offer is fully underwritten by Westar Capital Ltd (AFSL 255789) (**Underwriter**). Refer to Annexure A for details of the terms of the underwriting.

The Underwriter has also been appointed as the lead manager of the Placement. The terms of the lead manager appointment and total fees payable are set out in to Annexure A below.

1.7 Effect on Control

The Underwriter is not a Shareholder or a related party of the Company for the purposes of the Corporations Act. 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 they 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 will allocate the Shortfall to its sub-underwriters and/or clients and people who have otherwise agreed to assist with the completion of the Offer. Neither the Underwriter, the 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.

1.8 Potential dilution on non-participating Shareholders

In addition to potential control impacts set out in Section 1.8, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 11% (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	3,000,000	2.40%	375,000	3,000,000	2.14%
Shareholder 2	1,500,000	1.20%	187,500	1,500,000	1.07%
Shareholder 3	500,000	0.40%	62,500	500,000	0.36%
Shareholder 4	150,000	0.12%	18,750	150,000	0.11%
Shareholder 5	50,000	0.04%	6,250	50,000	0.04%
Total	124,898,877		15,612,360		140,511,237

Notes:

1. This is based on a share capital of 114,898,877 Shares as at the date of the Prospectus, plus 10,000,000 Shares to be issued under the Placement prior to the Record Date and assumes no Options currently on issue are exercised.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Underwriting and Shortfall Offer.

2. DETAILS OF THE OFFER

2.1 The Offer

The Offer is being made as a pro-rata non-renounceable entitlement issue of 1 Share for every 8 Shares held by those Shareholders registered at the Record Date at an issue price of \$0.20 per Share to raise up to \$3,122,472 (based on the number of Shares on issue as at the date of this Prospectus). Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming Shares are issued prior to the Record Date including on exercise or conversion of securities on issue) approximately 15,612,360 Shares may be issued under the Entitlement Issue to raise up to \$3,122,472.

As at the date of this Prospectus the Company has 12,094,800 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to Section 1.2 for information on the exercise price and expiry date of the Options on issue.

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

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

2.2 What Eligible Shareholders may do

The number of Securities to which Eligible Shareholders are entitled is shown on the personalised Entitlement and Acceptance Form which accompanies this Prospectus. Eligible Shareholders may choose any of the options set out in the table below.

Option	Key Considerations	For more information
Take up all of your Entitlement	<p>(a) Should you wish to accept all of your Entitlement, then your application for Securities under this Prospectus must be made by following the instructions on the personalised Entitlement and Acceptance Form which accompanies this Prospectus. Please read the instructions carefully.</p> <p>(b) Payment can be made by the methods set out in Section 2.3. As set out in Section 2.3, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form.</p>	Section 2.3 and Section 2.4.
Take up a proportion of your Entitlement and allow the	<p>(a) If you wish to take up only part of your Entitlement and allow the balance to lapse, your application must be made by completing the</p>	Section 2.3 and Section 2.4

Option	Key Considerations	For more information
balance to lapse	personalised Entitlement and Acceptance Form which accompanies this Prospectus for the number of Securities you wish to take up and making payment using the methods set out in Section 2.3 below. As set out in Section 2.3, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form.	
Allow all of your Entitlement to lapse	(a) If you do not wish to accept any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement by the Closing Date, the Offer to you will lapse.	N/A

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

2.3 Payment options

(a) By BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. **It is your responsibility to ensure that funds submitted through BPAY® are received by 5:00 PM (WST) on the Closing Date. The Company shall not be responsible for any delay in the receipt of the BPAY® payment.**

Guidance where you have more than one CRN (Shareholding of Shares)

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. **Do not use the same CRN for more than one of your Shareholdings.** This can result in your Application

monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any Application in respect of your remaining Shareholdings will not be valid).

(b) **By Electronic Funds Transfer (overseas applicants)**

For payment by Electronic Funds Transfer (**EFT**) for overseas Eligible Shareholders, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via EFT if you are the holder of an account that supports EFT transactions to an Australian bank account. Please note that should you choose to pay by EFT:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and

(c) **By Cheque**

Payment by cheque or cash will not be accepted.

2.4 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application monies by BPAY® or EFT will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety;
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® or EFT payment instruction is given in relation to any Application monies, the application may not be varied or withdrawn except as required by law.

2.5 Minimum subscription

As the Offer is fully underwritten, there is no minimum subscription.

2.6 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer. (**Shortfall Securities**). The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.20 being the price at which Shares have been offered under the Offer

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer and potentially be allocated to other Eligible Shareholders or other third parties as part of the Shortfall Offer. The Shortfall Offer will only be available where there is a Shortfall between applications received from Eligible Shareholders and the number of Shares proposed to be issued under the Offer.

Allocation of the Shortfall Shares will be at the discretion of the Board in conjunction with the Underwriter and will otherwise be subject to the terms of the Underwriting Agreement, details of which are set out in Annexure A.

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

2.7 Option Offer

This Prospectus includes an offer of 6,000,000 Options (**Underwriting Options**) to be issued to Westar (or its nominees) in respect of its role as Underwriter to the Offer (**Underwriting Offer**).

The material terms and conditions of the Underwriting Agreement are summarised in Annexure A.

Only Westar (or its nominees) may accept the Underwriting Offer. A personalised Application Form in relation to the Underwriting Offer will be issued to Westar together with a copy of this Prospectus.

2.8 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at Section 1. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all Application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

2.9 Issue of Securities

Securities issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at Section 1.

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 as soon as practicable after the issue of Securities.

2.10 Overseas shareholders

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

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

New Zealand

The Securities are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This Prospectus 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.

3. PURPOSE AND EFFECT OF THE OFFER

3.1 Placement

As announced to ASX on 6th September 2021, the Company has received firm commitments for the issue of 10,000,000 fully paid ordinary shares to Exempt Investors at an issue price of \$0.20 per Share pursuant to a private placement. It is intended that these Shares will be issued prior to the Record Date for the Offer, and that the recipients of these Shares can participate in the Offer.

3.2 Purpose of the offer

The purpose of the Offer and the Placement is to raise up to \$5,122,472 before costs.

The funds raised from the Offer and Placement are intended to be applied in accordance with the table set out below:

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Ongoing development costs at the A1 gold mine ¹	2,500,000	48.80
2.	Exploration of the Maldon project	2,000,000	39.04
3.	Working capital	275,945	5.39
4.	Expenses of the Offer and Placement ²	346,527	6.76
	Total	5,122,472	100

Notes:

1. Decline development to open new areas for mining and mechanical stoping activities.
2. Refer to Section 7.8 for further details relating to the estimated expenses of the Offer.

A additional purpose of the Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company under the Placement.

Relevantly, section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
 - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

3.3 Effect of the Offer

The principal effect of the Offer and Placement, assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, will be to:

- (a) increase the cash reserves by \$4,775,945 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer;
- (a) increase the number of Shares on issue from 114,898,877 as at the date of this Prospectus to 140,511,237 Shares; and
- (b) increase the number of Options on issue from 12,094,800 as at the date of this Prospectus to 18,094,800 Options.

3.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, is set out below.

Shares

	Number
Shares on issue as at the date of this Prospectus	114,898,877
Shares to be issued pursuant to the Placement announced on 6 September 2021 ¹	10,000,000
Shares on issue as at the record date for the Entitlement Offer¹	124,898,877
Shares offered pursuant to the Offer	15,612,360
Total Shares on issue after completion of the Offer	140,511,237

Notes:

1. The Company has received firm commitments for the issue of 10,000,000 fully paid ordinary shares to Exempt Investors at an issue price of \$0.20 per Share pursuant to a private placement announced to ASX on 6 September 2021. It is intended that these Shares will be issued prior to the Record Date for the Offer, and that the recipients of these Shares can participate in the Offer.

Options

	Number
Options currently on issue ¹	12,094,800
Options to be issued under the Underwriter Options Offer ²	6,000,000
Total Options on issue after completion of the Offer	18,094,800
Additional Options to be issued to the Underwriter, subject to shareholder approval ³	2,000,000
Options on issue after completion of the Offer and the issue of the additional Options to the Underwriter	20,094,800

Notes:

1. Comprising 4,250,000 Options exercisable at \$0.30 each on or before 31 January 2023, 4,500,000 Options exercisable at \$0.40 each on or before 31 January 2024, 1,750,000 Options exercisable at \$0.30 each on or before 21 February 2023, 250,000 Options exercisable at \$0.40 each on or before 10 August 2022 and 1,344,800 Options exercisable at \$0.50 each on or before 8 January 2024
2. Options exercisable at \$0.30 each on or before 30 September 2024. Full terms and conditions of the Underwriter Options are set out in Section 4.2 and the Underwriting Agreement is summarised in Annexure A.
3. The Company has agreed, subject to obtaining Shareholder approval, to issue 2,000,000 Underwriter Options exercisable at \$0.30 each on or before 30 September 2024 pursuant to the Underwriting Agreement. If approved by shareholders, the Options will be issued after the Record Date for the Offer.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 126,993,677 Shares and on completion of the Offer (assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date) would be 158,606,037 Shares.

3.5 Pro-forma balance sheet

The unaudited balance sheet as at 30 June 2021 and the unaudited pro-forma balance sheet shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options or convertible securities are exercised prior to the Record Date and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. 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.

	UNAUDITED 30 June 2021	PROFORMA Full Subscription
	\$	\$
CURRENT ASSETS		
Cash	4,787,146	9,563,091
Other current assets	2,671,446	2,671,446
TOTAL CURRENT ASSETS	7,458,592	12,234,537
NON-CURRENT ASSETS		
Trade & other Receivables	857,000	857,000
Plant and equipment	803,850	803,850

	UNAUDITED 30 June 2021	PROFORMA Full Subscription
	\$	\$
Exploration and evaluation assets	2,840,416	2,840,416
Mine properties	16,708,120	16,708,120
TOTAL NON-CURRENT ASSETS	21,209,386	21,209,386
TOTAL ASSETS	28,667,978	33,443,923
CURRENT LIABILITIES		
Creditors and borrowings	1,774,313	1,774,313
Provisions	2,517,455	2,517,455
TOTAL CURRENT LIABILITIES	4,291,768	4,291,768
NON-CURRENT LIABILITIES		
Provision	1,037,000	1,037,000
Deferred Tax Liability	2,337,522	2,337,522
NON-CURRENT ASSETS	3,374,522	3,374,522
TOTAL LIABILITIES	7,666,290	7,666,290
NET ASSETS (LIABILITIES)	21,001,688	25,777,633
EQUITY		
Share capital	(30,395,242)	(34,291,187)
Options Reserve	(207,099)	(527,099)
Accumulated losses	9,600,653	9,600,653
TOTAL EQUITY	(21,001,688)	(25,777,633)

4. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

4.1 Rights attaching to Shares

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

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

(a) General meetings

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

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

(b) Voting rights

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

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

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid or credited as paid is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they believe to be justified subject to the requirements of

the Corporations Act. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

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

(d) **Winding-up**

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

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

(e) **Shareholder liability**

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

(f) **Transfer of Shares**

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

(g) **Variation of rights**

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

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

(h) **Alteration of Constitution**

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

4.2 **Terms and Conditions of Underwriter Options**

The following is a summary of the key terms and conditions of the Underwriter Options that are proposed to be issued to Westar:

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option is \$0.30 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 30 September 2024 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time following the date of issue and will expire on the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

(g) **Consideration**

The Options will be issued for nil cash consideration.

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

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the

Notice of Exercise and for which cleared funds have been received by the Company;

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

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

(i) **Shares issued on exercise**

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

(j) **Reconstruction of capital**

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

(k) **Participation in new issues**

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

(l) **Change in exercise price**

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

(m) **Transferability**

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

5. INFORMATION DEEMED TO BE INCORPORATED IN THIS PROSPECTUS

5.1 Incorporated Documents

This Prospectus is a short form prospectus issued in accordance with section 712 of the Corporations Act. This means that this Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type. Rather, the Prospectus incorporates, by reference, information contained in the Incorporated Documents.

5.2 Included Information

The Incorporated Documents contain all information that Shareholders require in relation to the Offer and the Incorporated Documents in their entirety are deemed to be incorporated in this Prospectus. In accordance with section 712 of the Corporations Act, a summary of the material provisions of the Incorporated Documents are set out in Section 5.3 and 5.4 below, which will primarily be of interest to Shareholders and their professional advisers or analysts.

The Incorporated Documents will be made generally available during the application period by being posted on the Company's website (www.kaiserreef.com.au). In addition, the Company will make a copy of the Incorporated Documents available free of charge to those who request it.

5.3 Summary of August Announcement to be Incorporated

The August Announcement provided an update as to drilling at the A1 mine, the Company's ongoing drilling program, decline progress, an updated mine plan and ongoing airleg mining.

5.4 Summary of Quarterly Report to be Incorporated

The Quarterly Report provided an update as to A1 mine operations, the Maldon process plant and development of a decline towards the Queens Lode.

6. RISK FACTORS

6.1 Introduction

The Shares offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 6, together with all other information contained in this Prospectus.

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

The risks factors set out in this Section 6, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares. This Section 6 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 5 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

6.2 Company specific risks

Risk Category	Risk
Exploration	<p>Potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of the Victorian Projects and NSW Projects, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.</p> <p>The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.</p> <p>The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its projects and</p>

Risk Category	Risk
	<p>obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the Tenements, a reduction in the cash reserves of the Company and possible relinquishment of the projects.</p> <p>The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.</p>
Mining risk	<p>When compared with many industrial and commercial operations, mining and mineral processing projects are relatively high risk. Each ore body is unique. The nature of mineralisation, the occurrence and grade of the ore, as well as its behaviour during mining and processing can never be wholly predicted. Estimations of the tonnes, grade and overall mineral content of a deposit are not precise calculations but are based on interpretation and samples from drilling, which, even at close drill hole spacing, represent a very small sample of the entire ore body.</p> <p>Projected rates of gold production are, in part dependent upon progression of mining in accordance with plans and mining equipment productivity. Should mining productivity rates be less than estimated by the Company, there is a risk that the rate of gold production over a given time period will be lower than projected by the Company. This would have the impact of extending the remaining life of mine time period and would likely cause an increase in projected expenditure. While the Company may be able to mitigate some or all of the effects or lower than projected rates of mining productivity through the mobilisation of additional mining equipment, there remains a risk that it is unable to do so or that the additional cost incurred to mobilise additional mining equipment adversely impacts the profitability of the Company.</p>
Mine development	<p>Ongoing development of mining operations at the Victorian Projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases</p>

Risk Category	Risk
	<p>in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.</p> <p>The Company intends to continue operational activities at the Victorian Projects. Operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects.</p> <p>In particular, work to progress tailings dam studies is required as a priority to ensure a suitable tailings facility is available over the life of the mine. Based on a throughput of 150 ktpa, there is a timing risk that suitable tailings capacity may not be available when required which may have an impact on the Company's proposed operations.</p>
Process Plant Performance	<p>Rates of gold production are impacted by a number of factors including the grade of ore delivered to the process plant and the percentage of gold recovered from ore processed in the plant. Failure to achieve estimated rates of gold recovery in the process plant could result in lower returns from the Company's operations than expected or could result in the Company's operations not being economically viable. This could impact the Company's financial performance and position.</p>
Operating and project risks	<p>The business of mineral exploration and mining involves risks and hazards. For example, in an exploration context no assurance can be given that ore bodies will be detected with preferred or desirable tonnages or grades. High risk and substantial expense can be incurred without the requisite or expected degree of reward. The Company's mining, exploration and development activities will be subject to numerous operational risks, many of which are beyond the Company's control.</p> <p>Even if commercial quantities of ore are discovered, unforeseen risks can arise in the development and production phase including mining or processing issues, environmental hazards, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, labour forced disruption, the unavailability of materials and plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, unusual or unexpected geological formation, pit failures, changes in the regulatory environment, land claims, legal challenges associated</p>

Risk Category	Risk
	<p>with native title claimants, and weather conditions. Such occurrences could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability.</p> <p>The Company will endeavour to take appropriate action to mitigate these operational risks (including by ensuring legislative compliance, properly documenting arrangements with counterparties, and adopting industry best practice policies and procedures) or to insure against them, but the occurrence of any one or a combination of these events may have a material adverse effect on the Company's performance and the value of its assets.</p>
<p>Tenure, access and grant of applications</p>	<p>Applications</p> <p>The Tenements are at various stages of application and grant, specifically some tenements in NSW are still under application. There can be no assurance that the tenement applications that are currently pending will be granted. There can be no assurance that when the tenement is granted, it will be granted in its entirety. Additionally, some of the tenement areas applied for may be excluded. The Company is unaware of any circumstances that would prevent the tenement application from being granted, other than the competing applications, however the consequence of being denied the applications for reasons beyond the control of the Company could be significant, specifically for the NSW Projects.</p> <p>Renewal</p> <p>Mining and exploration tenements are subject to periodic renewal. The renewal of the term of granted tenements is subject to compliance with the applicable mining legislation and regulations and the discretion of the relevant mining authority. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.</p> <p>The Company considers the likelihood of tenure forfeiture to be low given the laws and regulations governing exploration in New South Wales and Victoria and the ongoing expenditure budgeted for by the Company. However, the consequence of forfeiture or involuntary surrender of a granted tenements for reasons beyond the control of the Company could be significant.</p> <p>Access</p> <p>Some of the Tenements overlap certain third party interests that may limit the Company's ability to conduct exploration and mining activities including areas on</p>

Risk Category	Risk
	which native title is yet to be determined .
Climate risk	<p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:</p> <ul style="list-style-type: none"> (a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and (b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.
Additional requirements for capital	<p>The funds to be raised under the Offer are considered sufficient to meet the immediate objectives of the Company. Additional funding may be required in the event costs exceed the Company's estimates and to effectively implement its business and operational plans in the future to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur. If such events occur, additional funding will be required.</p> <p>Following completion of the Offer, the Company may seek to raise further funds through equity or debt financing, joint ventures, licensing arrangements, or other means. Failure to obtain sufficient financing for the Company's activities may result in delay and indefinite postponement of their activities and the proposed commercialisation, marketing and international expansion strategy. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing may not be favourable to the Company and might involve substantial dilution to Shareholders.</p>

Risk Category	Risk
COVID-19 risk	<p>The outbreak of the coronavirus disease (COVID-19) is impacting global economic markets. The nature and 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 governmental or industry measures taken in response to COVID-19, including continued State and regional lock downs may adversely impact the Company's operations and are likely to be beyond the control of the Company. The Directors are monitoring the evolving situation closely. The Directors will continue to manage its response to COVID-19 impacts and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. If any of these impacts appear material prior to close of the Offer, the Company will notify investors under a supplementary prospectus.</p>

6.3 Industry specific risks

Risk Category	Risk
Commodity price volatility and exchange rate risks	<p>If the Company achieves success leading to mineral production, the revenue it will derive through the sale of product exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.</p> <p>Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company 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.</p>
Native title and Aboriginal Heritage	<p>In relation to Tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.</p> <p>There is currently a settlement agreement Indigenous Land Use Agreement (ILUA) (Settlement Agreement) between the State of Victoria and the Dja Dja Native Title</p>

Risk Category	Risk
	<p>Gorup in place in relation to MIN 5528 and MIN 5529. The Settlement Agreement operates to provide the parties' consent to Future Acts within the ILUA area on or after 24 October 2013 and the surrender of native title for the purposes of extinguishment over land where a Future Act is done. The effect of the Settlement Agreement is that the parties agree that the Right to Negotiate provisions of the Native Title Act do not apply as alternative consultation provisions are to be followed instead.</p> <p>The Directors will closely monitor the potential effect of native title claims or Aboriginal heritage matters involving tenements in which the Company has or may have an interest.</p>
Exploration costs	<p>Exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainty, and accordingly, the actual costs may materially differ from the estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely impact the Company's viability.</p>
Resource reserves and exploration targets	<p>The Company has identified a number of exploration targets based on geological interpretations and limited geophysical data, geochemical sampling and historical drilling. Insufficient data however, exists to provide certainty over the extent of the mineralisation. Whilst the Company intends to undertake additional exploratory work with the aim of defining a resource, no assurances can be given that additional exploration will result in the determination of a resource on any of the exploration targets identified. Even if a resource is identified no assurance can be provided that this can be economically extracted.</p> <p>Reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature resource and reserve estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate.</p>
Grant of future authorisations to explore and mine	<p>If the Company discovers an economically viable mineral deposit that it then intends to develop, it will, among other things, require various approvals, licence and permits before it will be able to mine the deposit. There is no guarantee that the Company will be able to obtain all required approvals, licenses and permits. To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected.</p>

Risk Category	Risk
Environmental	<p>The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.</p> <p>Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.</p> <p>The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.</p> <p>Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.</p>
Regulatory Compliance	<p>The Company's operating activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.</p> <p>While the Company believes that it is in substantial compliance with all material current laws and regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Company or its properties, which could have a material adverse impact on the</p>

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

6.4 General risks

Risk Category	Risk
Reliance on key personnel	<p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.</p> <p>The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.</p>
Economic and financial market risks	<p>General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.</p> <p>Further, share market conditions may affect the value of the Securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> (a) general economic outlook; (b) interest rates and inflation rates;

Risk Category	Risk
	<p>(c) currency fluctuations;</p> <p>(d) changes in investor sentiment toward particular market sectors;</p> <p>(e) the demand for, and supply of, capital; and</p> <p>(f) terrorism or other hostilities.</p> <p>The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Neither the Company or the Directors warrant the future performance of the Company or any return on an investment in the Company.</p>

6.5 Investment speculative

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

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

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

Before deciding whether to subscribe for Securities under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

7. ADDITIONAL INFORMATION

7.1 Litigation

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

7.2 Continuous disclosure obligations

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

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

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

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

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

Date	Description of Announcement
24 August 2021	A1 Gold Mine: Mining and Exploration Update
23 August 2021	Ceasing to be a substantial holder
9 August 2021	Change of External Auditor

Date	Description of Announcement
30 July 2021	Quarterly Activities Report
30 July 2021	Quarterly Cashflow Report
26 July 2021	Change in substantial holding
19 July 2021	Major Drilling Campaign Commences at Maldon
15 July 2021	Further Drilling Results from the A1 Mine
12 July 2021	Change in substantial holding
8 July 2021	Award of Highly Prospective Copper-Gold Exploration Ground
5 July 2021	Final Director's Interest Notice
5 July 2021	Change of Company Secretary
5 July 2021	A1 Gold Mine Delivers Record Revenues for Kaiser
16 June 2021	Decline Milestone Exposes New Mining Zones
24 May 2021	Queens Lode drilling results
19 May 2021	Investor Presentation - The Maldon Goldfield
30 April 2021	Quarterly Activities Report
30 April 2021	Quarterly Cashflow Report
27 April 2021	Kaiser Update and Decline Development Commences
26 March 2021	Drilling results and Operational Update from the A1 Mine
16 March 2021	Half Year Accounts
25 February 2021	Response to ASX Aware Query
22 February 2021	Exceptional Drill Results
10 February 2021	Initial Director's Interest Notice
10 February 2021	Kaiser - Key Leadership Appointments
1 February 2021	Becoming a substantial holder
1 February 2021	Kaiser Drilling results from A1 Mine
28 January 2021	Presentation - High Grade Gold Producer and Explorer
28 January 2021	Kaiser Re-commences Trading on the ASX and First Gold Pour
28 January 2021	Quarterly Cashflow Report
28 January 2021	Quarterly Activities Report
27 January 2021	Reinstatement to Official Quotation
27 January 2021	Becoming a substantial holder
25 January 2021	Statement of Confirmations
25 January 2021	Top 20 Holders

Date	Description of Announcement
25 January 2021	Distribution Schedule
25 January 2021	Securities Trading Policy
25 January 2021	Corporate Governance Statement
25 January 2021	Terms of Options
25 January 2021	Performance Rights and Options Plan
25 January 2021	Centennial Mining Limited Full Year Accounts 30 June 2020
25 January 2021	Centennial Mining Limited Full Year Accounts 30 June 2019
25 January 2021	Centennial Mining Limited Full Year Accounts 30 June 2018
25 January 2021	Golden River Resources Pty Ltd Accounts 28 Aug - 31 Oct 2021
25 January 2021	Constitution
25 January 2021	Appendix 1A and Information Form and Checklists
25 January 2021	Anticipated Reinstatement to Official Quotation
21 December 2020	Results of Meeting
21 December 2020	Presentation - December 2020
8 December 2020	Letter to Shareholders
7 December 2020	Proposed issue of Securities - KAU
7 December 2020	Prospectus
20 November 2020	Notice of Annual General Meeting/Proxy Form
13 November 2020	Appendix 2A
3 November 2020	Release from Escrow
2 November 2020	First Drill Results
30 October 2020	Appendix 2A
22 October 2020	Quarterly Cashflow Report
22 October 2020	Quarterly Activities Report
19 October 2020	Release from Escrow
19 October 2020	Date of AGM and Closing Date for Director Nominations
1 October 2020	Material Gold Acquisition
29 September 2020	Appendix 4G and Corporate Governance Statement

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

The announcements are also available through the Company's website <https://www.kaiserreef.com.au/>.

7.3 Market price of Shares

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

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

	(\$)	Date
Highest	\$0.31	3, 4 and 7 June 2021
Lowest	\$0.20	11 and 17 August 2021
Last	\$0.23	1 September 2021

7.4 Material Contracts

7.4.1 Underwriting Agreement

A summary of the terms of the Underwriting Agreements is set out in Annexure A.

7.4.2 Lead Manager Agreement

A summary of the terms of the Lead Manager Agreement is set out in Annexure A.

7.5 Interests of Directors

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

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

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

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

Security holdings

The relevant interest of each of the Directors in the Securities as at the date of this Prospectus, together with their respective Entitlement, is set in Section 1.4.

Remuneration

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

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

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

Director	FY ending 30 June 2022 (Proposed)	FY ending 30 June 2021
Jonathan Downes	\$245,997	\$221,560
Adrian Byass	\$101,452	\$85,575
Stewart Howe ¹	\$146,666	\$48,234

Notes:

1. Appointed 10 February 2021.

7.6 Interests of experts and advisers

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

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

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

- (d) the formation or promotion of the Company;

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

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

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

Westar Capital Limited has acted as the lead manager to the placement and underwriter of the Offer. The Company estimates it will pay Westar \$307,348 (excluding GST and disbursements) for these services. The Company has also agreed to issue Westar 8,000,000 Options under the Underwriting Agreement (Refer to Annexure A of this of this Prospectus for a summary of the Underwriting Agreement)

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin approximately \$15,000 (excluding GST and disbursements) for these services.

7.7 Consents

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

Each of the parties referred to in this Section:

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

Westar Capital Limited has given its written consent to being named as the lead manager and underwriter to the Offer in this Prospectus.

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

7.8 Expenses of the offer

The total Cash expenses of the Offer are estimated to be approximately \$226,527 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	14,398
Underwriting fee	187,348
Legal fees	15,000
Miscellaneous	6,575
Total	226,527

7.9 Directors' Authorisation

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

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



Jonathan Downes
Executive Director
For and on behalf of
KAISER REEF LIMITED

8. GLOSSARY

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

Application Form means an Entitlement and Acceptance Form.

ASIC means the Australian Securities and Investments Commission.

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

ASX Listing Rules means the listing rules of the ASX.

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

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

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

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

Company means Kaiser Reef Limited (ACN 635 910 271)

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

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

CRN means Customer Reference Number in relation to BPAY®.

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

Eligible Shareholder means a Shareholder as at the Record Date who is eligible to participate in the Offer.

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 either attached to or accompanying this Prospectus.

Exempt Investors means an investor who does not require a disclosure document as it falls within one or more of the categories described in section 708 of the Corporations Act

Exercise Price means the exercise price of the Underwriter Options being \$0.30.

Ineligible Shareholder means a Shareholder as at the Record Date whose registered address is not situated in Australia or New Zealand.

Underwriter Option means an Option issued on the terms set out in Section 4.2

Offer means the non-renounceable entitlement issue the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Placement means the issue of 10,000,000 fully paid ordinary shares to Exempt Investors at an issue price of \$0.20 per Share pursuant to a private placement announced on 6 September 2021.

Prospectus means this prospectus.

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

Section means a section of this Prospectus.

Securities means Shares and/or Options as the context requires.

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

Shareholder means a holder of a Share.

Shortfall Offer means the offer of the Shortfall Securities on the terms and conditions set out in Section 2.6.

Shortfall Securities means those Securities not applied for under the Offer (if any) and offered pursuant to the Shortfall Offer.

Underwriter means Westar Capital Ltd (AFSL 255789).

Underwritten Amount means \$3,122,472 .

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

ANNEXURE A – MATERIAL CONTRACTS

1. Underwriting Agreement

The Company has entered into an underwriting agreement (**Underwriting Agreement**) with Westar Capital Limited (ACN 009 372 838) (**Underwriter** or **Westar**), pursuant to which Westar has agreed to fully underwrite the Offer up to a value of \$3,122,472 (the **Underwritten Amount**) (being 100% of the funds to be raised under the Offer (and equal to 15,612,360) (**Underwritten Securities**).

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.

The material terms and conditions of the Underwriting Agreement are summarised below:

1.1 Fees

Under the terms of this engagement, the Company will:

- (a) pay to the Underwriter an underwriting fee of 6% (exclusive of GST) of the Underwritten Amount; and
- (b) issue to the Underwriter 8,000,000 unquoted options to acquire Shares with an exercise price of 30 cents per share expiring on 30 September 2024 to be issued in the following tranches:
 - (i) **T1:** 6,000,000 unquoted options, to be issued at the time of issue of the Shortfall Securities; and
 - (ii) **T2:** 2,000,000 unquoted options, subject to the receipt of shareholder approval to be sought at the Company's November 2021 annual general meeting.

1.2 Termination

The obligation of the Underwriter to underwrite the Offer is subject to certain events of termination. The Underwriter may terminate their obligations under the Underwriting Agreement if:

- (a) **Indices fall:** the S&P ASX 200 Index is at any time after the date of this Agreement, for a period of not less than 3 trading days, 10% or more below its respective level as at the close of business on the Business Day prior to the date of this Agreement;
- (b) **Prospectus:** the Company does not lodge the Prospectus with ASIC on the Lodgement Date, or other lodgement date as may be agreed between the parties, or the Prospectus or the Offer is withdrawn by the Company;
- (c) **Supplementary Prospectus:**
 - (i) the Underwriter, having elected not to exercise its right to terminate its obligations under this Agreement as a result of an occurrence as described in clause(m)(iv), forms the view on reasonable grounds that a Supplementary Prospectus should

be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a Supplementary Prospectus in such form and content and within such time as the Underwriter may reasonably require; or

- (ii) the Company lodges a Supplementary Prospectus without the prior written agreement of the Underwriter;
- (d) **Non-compliance with disclosure requirements:** it transpires that the Prospectus does not contain all the information that investors and their professional advisers would reasonably require to make 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 Underwritten Securities;
- (e) **Misleading Prospectus:** it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of sections 711, 712 and 716 of the Corporations Act) or if any statement in the Prospectus becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive;
- (f) **Restriction on issue:** the Company is prevented from issuing the Underwritten Securities within the time required by this 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;
- (g) **ASIC or other prosecution:** ASIC gives notice of any deficiency in the Prospectus or related documents and the Company fails to lodge a supplementary prospectus correcting the deficiency, or ASIC gives notice of an intention to hold a hearing, examination or investigation, or ASIC requires information to be disclosed in connection with the Offer of the Company and the Company fails to lodge a supplementary prospectus disclosing that information;
- (h) **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, or an application for such a declaration is made to the Takeovers Panel;
- (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 this agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China, Israel or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;
- (j) **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;

- (k) **Event of Insolvency:** an Event of Insolvency occurs in respect of a Relevant Company;
- (l) **Indictable offence:** a director or senior manager of a Relevant Company is charged with an indictable offence; or
- (m) **Termination Events:** upon the occurrence of any of the following events:
 - (i) **Default:** default or breach by the Company under this Agreement of any terms, condition, covenant or undertaking;
 - (ii) **Incorrect or untrue representation:** any representation, warranty or undertaking given by the Company in this Agreement is or becomes untrue or incorrect;
 - (iii) **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;
 - (iv) **Adverse change:** an event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a prospective adverse change after the date of this Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company;
 - (v) **Error in Due Diligence Results:** it transpires that any of the Due Diligence Results was false, misleading or deceptive or that there was an omission from them;
 - (vi) **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;
 - (vii) **Public statements:** without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer;
 - (viii) **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;
 - (ix) **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;
 - (x) **Prescribed Occurrence:** a Prescribed Occurrence occurs;
 - (xi) **Suspension of debt payments:** the Company suspends payment of its debts generally;

- (xii) **Judgment against a Relevant Company:** a judgment in an amount exceeding \$100,000 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;
- (xiii) **Litigation:** litigation, arbitration, administrative or industrial proceedings are after the date of this Agreement commenced against any Relevant Company, which have real prospects of resulting in a judgment against a Relevant Company exceeding \$100,000 other than any claims foreshadowed in the Prospectus or to the Underwriter;
- (xiv) **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 Securities without the prior written consent of the Underwriter;
- (xv) **Change in shareholdings:** there is a material change in the major or controlling shareholdings of a Relevant Company 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;
- (xvi) **Timetable:** there is a delay in any specified date in the Timetable which is greater than 3 Business Days and the Underwriter has not given its prior written consent agreeing to a delay exceeding 3 Business Days;
- (xvii) **Force Majeure:** a Force Majeure affecting the Company's business or any obligation under the Agreement lasting in excess of 7 days occurs;
- (xviii) **Certain resolutions passed:** a Relevant Company passes or takes any steps to pass a resolution under Section 254N, Section 257A or Section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (xix) **Capital Structure:** any Relevant Company alters its capital structure in any manner not contemplated by the Offer;
- (xx) **Breach of Material Contracts:** any of the Contracts is terminated or substantially modified;
- (xxi) **Investigation:** any person is appointed under any legislation in respect of companies to investigate the affairs of a Related Company; or
- (xxii) **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.

(n) **Material Adverse Effect**

The termination events listed above do not entitle the Underwriter to exercise its rights unless it has or is likely to have, or those events together have, or could reasonably be expected to have, a material adverse effect (from the view point of an investor) or could give rise to a liability of the Underwriter under the Corporations Act.

The Underwriting Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

2. Lead Manager Mandate

The Company has signed a mandate letter to engage Westar Capital Limited (ACN 009 372 838) to act as lead manager of the Placement and Offer (**Lead Manager Mandate**)

Under the terms of this engagement, the Company will pay Westar:

- (a) a management fee of 6% of total funds raised under the Placement (plus GST) (anticipated to be \$120,000); and
- (b) any reasonable disbursements and out of pocket expenses, which will be agreed upon between Westar and the Company prior to their incursion.