

LANTHANEIN RESOURCES LIMITED
ACN 095 684 389

PROSPECTUS

For the offer of 1,000 New Options at an issue price of \$0.015 per New Option (**Offer**).

This Prospectus has been prepared primarily for the purposes of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of New Options and Options in the same class as the New Options issued by the Company prior to the Closing Date.

Important Notice

This document is important and should be read in its entirety (including the 'Risk Factors' in section 4) before deciding whether to apply for New Options. If, after reading this Prospectus, you have any questions about the New Options being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The New Options offered by this Prospectus should be considered speculative.

IMPORTANT NOTES

This Prospectus is dated 10 August 2022 and a copy of this Prospectus was lodged with ASIC on that date. ASIC, ASX and its officers, respectively, take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. No securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. The Company will apply to ASX for the New Options to be granted quotation on ASX.

The Offer is not available to the general public. The Offer is only available to those persons who are personally invited by the Company to accept the Offer. The Company will provide an Offer Application Form to those persons only.

This Prospectus does not constitute an offer in any place in which or to any person to whom it would not be lawful to make such an offer. Applications for securities offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

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

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore, persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes a violation of those laws.

Applicants should rely on their own knowledge of the Company, refer to disclosures made by the Company to the ASX and consult their professional advisers before deciding whether to accept the Offer.

Announcements made by the Company to ASX are available from the ASX website at <http://www.asx.com.au/>. The information in this Prospectus does not constitute a securities recommendation or financial product advice.

In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

This Prospectus, including each of the documents attached to it and which form part of this Prospectus, is important and should be read in its entirety prior to making an investment decision. If you do not fully understand this Prospectus or are in any doubt as to how to deal with it, you should consult your professional adviser.

In particular, it is important that you consider the risk factors in section 4 that could affect the performance of the Company before making an investment decision.

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of the New Options issued under this Prospectus. The Company will only distribute this Prospectus to those investors who fall within the target market determination (TMD) as set out on the Company's website www.lanthanein.com. By making an application under the Prospectus, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

Some words and expressions used in this Prospectus have defined meanings which are explained in section 6.

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1. DETAILS OF THE OFFER

1.1 Background to the Offer of New Options

On 3 August 2022, the Company announced the completion of a placement of 125,000,000 Shares at an issue price of \$0.014 per Share to new and existing institutional and sophisticated investors (the **Placement**). The Company raised \$1.75 million (before costs) via the Placement.

Under the Placement, the Company proposes to issue 75,000,000 Options comprising of 62,500,000 free attaching Options on the basis of one Option for every two Shares subscribed for (**Placement Options**) and 12,500,000 Options pursuant to an agreement to the lead manager, Inyati Capital Pty Ltd, at an issue price of \$0.00001 (**Adviser Options**). The Placement Options, Adviser Options and the New Options offered under this Prospectus are on the same terms and are exercisable at \$0.03 and expire on 31 December 2024 (together, the **December 2024 Options**)¹.

The Company proposes to seek Official Quotation of all of the December 2024 Options.

Further details in respect of the proposed issue of the Adviser Options and Placement Options are set out in the ASX announcement released to the ASX platform on 3 August 2022.

1.2 Purpose of the Offer

The purpose of this Prospectus is to remove any trading restrictions that may attach to the December 2024 Options under Chapter 6D of the Corporations Act so that, following quotation of the December 2024 Options, any on-sale of December 2024 Options does not breach section 707(3) of the Corporations Act.

Generally, section 707(3) of the Corporations Act requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months of the date of their issue.

Section 708A(11) of the Corporations Act provides an exemption from this general requirement where:

- (a) the relevant securities are in a class of securities of the company that are already quoted on ASX;
- (b) a prospectus is lodged with ASIC either:
 - (i) on or after the day on which the relevant securities were issued; or
 - (ii) 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 offers of securities issued by the company that are in the same class of securities as the relevant securities.

1.3 Details of the Offer

The Company offers for subscription 1,000 New Options at an issue price of \$0.015 per New Option under this Prospectus. The Offer is being extended to unrelated persons who are invited by the Company to subscribe for Options and is not open to the general public.

Any funds raised from the Offer will be applied towards the expenses of the Offer.

The issue of New Options under the Offer is conditional upon ASX granting Official Quotation to the December 2024 Options.

A summary of the rights and liabilities attaching to the December 2024 Options (which includes the New Options) is set out in section 3.

¹ "December 2024 Options" does not include ASX options LNRAO. See section 2.2 below for further information.

1.4 Minimum Subscription

There is no minimum subscription in respect of the Offer.

1.5 Opening and Closing Dates

The opening date of the Offer will be 10 August 2022 and the Closing Date will be 5.00pm WST on 19 August 2022. The Directors reserve the right to close the Offer early or extend the Closing Date (as the case may be), should it be considered by them necessary to do so.

1.6 Application, Issue of New Options and Application Money

Only parties invited by the Directors should apply under the Offer.

An Application for New Options must be made using the Application Form and must follow the procedures advised by the Company to apply for New Options under the Offer.

The Directors reserve the right to reject any Application for New Options or to allocate any applicant fewer New Options than the number applied for as the case may be.

Where the number of New Options issued is less than the number applied for, the surplus money will be returned by cheque as soon as practicable after the Closing Date. Where no issue is made, the amount tendered on application will be returned in full by cheque as soon as practicable after the Closing Date. Interest will not be paid on money refunded.

All Application Money received before the New Options are issued will be held in a special purpose account. After any Application Money is refunded (if relevant) and New Options are issued to applicants, the Company will be entitled to retain the balance of funds plus all interest that accrues on the bank account and each applicant waives any right to claim that interest.

1.7 Details of substantial holders

Based on publicly available information as at the date of this Prospectus, there are currently no Shareholders with a relevant interest in 5% or more of the Shares on issue in the Company.

No Shareholder will obtain a relevant interest in 5% or more of the Company's Shares as a result of the Offer.

1.8 Effect of the Offer on the Control of the Company

There will be no effect on control as a result of the Offer.

1.9 Effect on Financial Position of the Company

The maximum the Company will raise under this Prospectus is \$15 for the 1,000 New Options offered. The estimated expenses of the Offer are as set out in section 5.3 of this Prospectus. The immediate financial effect of the Offer will be to decrease cash reserves by an amount equivalent to the estimated expense of the Offer.

1.10 ASX Quotation

Application will be made within seven days of the date of issue of this Prospectus for the New Options to be granted Official Quotation by ASX.

If the New Options are not quoted by ASX within three months after the date of this Prospectus, the Company will not issue any New Options and will refund all Application Money in full as soon as practicable, without interest.

The fact that ASX may agree to grant Official Quotation of the New Options is not to be taken in any way as an indication of the merits of the Company or those Options.

1.11 Offer Outside Australia

This Prospectus does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Offer. No action has been taken to register or qualify the securities or the Offer or otherwise to permit an offering of the securities in any jurisdiction outside Australia.

1.12 Market Prices of Shares on ASX

The Company is an Australian public company that has been listed on the ASX since 9 April 2003. Originally as TasGold Limited (ASX: TGD) and then Frontier Resources Limited (ASX: FNT), it recently changed its name on 24 May 2022 to Lanthanein Resources Limited (ASX: LNR).

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 ASIC and the most recent dates of those sales were:

	3 months high	3 months low	Last Market Sale Price
Share Price	\$0.024	\$0.014	\$0.024
Date	9 August 2022	19 July 2022	9 August 2022

1.13 CHESS

The Company participates in the Clearing House Electronic Sub-register System (**CHESS**). ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, applicants will not receive a certificate but will receive a statement of their holding of New Options.

If you are broker sponsored, ASX Settlement will send you a CHESS statement.

The CHESS statement will set out the number of New Options issued under this Prospectus, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub register, your statement will be dispatched by the Company's share registrar and will contain the number of New Options issued to you under this Prospectus and your security holder reference number.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their securities holding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

1.14 Taxation Implications

The Directors do not consider that it is appropriate to give advice regarding the taxation consequences of applying for New Options under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of applicants. Applicants should consult their own professional tax adviser in connection with the taxation implications of the Offer.

1.15 Enquiries

Any queries regarding the Offer should be directed to Matthew Foy, Company Secretary at the Company on (+61) 8 9486 4036 or at info@lanthanein.com.

You can also contact your stockbroker or professional adviser with any queries in relation to the Offer.

2. USE OF FUNDS AND EFFECT OF THE ISSUE

2.1 Use of Funds

The Company intends to use any funds raised from the Offer towards offer costs.

2.2 Effect of the Offer on Capital Structure

At the close of the Offer, the number of Options on issue will be:

Options	Number
Options exercisable at \$0.02 each on or before 13 August 2024 (LNRAK)	20,000,000
Options exercisable at \$0.03 each on or before 31 December 2024 (LNRAO) ¹	33,000,000
Options exercisable at \$0.045 each on or before 13 May 2025 (LNRAR)	11,250,000
Placement Options ²	62,500,000
Adviser Options ²	12,500,000
New Options ²	1,000
Total Options	139,251,000

Note:

1. The Company has on issue 33 million options expiring on 31 December 2024 (ASX:LNRAO). These options are on different terms to the December 2024 Options. Subject to the requirements of the Listing Rules, the Company may seek to amend the terms of the 33 million options and subject to such amendments being effected, may, at that time, seek quotation of all of these options.
2. December 2024 Options. See section 3.1 for terms.

On the basis that the Adviser Options and Placement Options are issued by 10 August 2022, the effect of the Offer on the Company's capital structure will be that the total number of Options will increase by 1,000 from 139,250,000 to 139,251,000. This figure includes all options, both listed and unlisted.

The Offer will not have an effect on the Company's other securities on issue.

2.3 Statement of Financial Position

The Company does not consider that the Offer will have a material effect on the financial position of the Company.

3. RIGHTS AND LIABILITIES ATTACHING TO THE NEW OPTIONS, DECEMBER 2024 OPTIONS AND SHARES

3.1 New Options and Options

The following is a summary of the more significant rights and liabilities attaching to the New Options being offered pursuant to this Prospectus and the December 2024 Options. 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.

- (a) **(Entitlement)** Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) **(Exercise Price)** Subject to paragraph (a), the amount payable upon exercise of each Option will be \$0.03 **(Exercise Price)**.
- (c) **(Expiry Date)** Each Option will expire at 5:00 pm (WST) on 31 December 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 on or prior to the Expiry Date **(Exercise Period)**.

- (e) **(Notice of Exercise)** The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate **(Notice of Exercise)** and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- (f) **(Exercise Date)** A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds **(Exercise Date)**.
- (g) **(Timing of issue of Shares on exercise)** Subject to the Company obtaining any necessary Shareholder approval or regulatory approvals for the issue of the underlying Shares, 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 (g) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.
- (h) **(Shares issued on exercise)** Shares issued on exercise of the Options rank equally with the then issued shares of the Company.
- (i) **(Reconstruction of capital)** If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (j) **(Participation in new issues)** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (k) **(Change in exercise price)** 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.

3.2 Shares

The following is a summary of the more significant rights and liabilities attaching to Shares that may be issued subject to exercise of the New Options and December 2024 Options. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

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

- (a) **(Voting Rights)** Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of members every member has one vote on a show of hands and one vote per Share on a poll. Voting may be in person or by proxy, attorney or representative.
- (b) **(Dividends)** Subject to the Corporations Act, the Listing Rules and any rights or restrictions attached to a class of shares, the Company may pay dividends as the Directors authorise.
- (c) **(Future Issues of Securities)** Subject to the Corporations Act and the Listing Rules, the Directors may issue, grant options over, or otherwise dispose of unissued shares in the Company at the times and on the terms, that the Directors think proper and a share may be issued with preferential or special rights.
- (d) **(Transfer of Shares)** A shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by ASX for the purpose of facilitating transfers in Shares or by an instrument in writing in a form approved by ASX or the Board.
- (e) **(Meetings and Notices)** Each shareholder is entitled to receive notice of, and to attend, general meetings for the Company and to receive all notices, accounts and other documents required to be sent to shareholders under the Constitution, the Corporations Act or the Listing Rules. Shareholders may requisition meetings in accordance with the Corporations Act.
- (f) **(Liquidation Rights)** The Company has one class of shares on issue, ordinary shares. Each ordinary Share ranks equally in the event of liquidation.
- (g) **(Variation of Rights)** Subject to the Listing Rules, the rights attached to the Shares may be varied with the consent in writing of shareholders holding three-quarters of the Shares or by a special resolution passed at a separate meeting of the holders of the Shares in accordance with the Corporations Act
- (h) **(Election of Directors)** At every annual general meeting one third of the Directors (rounded up to the nearest whole number) must retire from office. Any Director who would have held office for more than 3 years if that Director remains in office until the next general meeting must retire. These retirement rules do not apply to certain appointments including the managing director.
- (i) **(Indemnities)** To the extent permitted by law the Company must indemnify each past and present Director and secretary against any liability incurred by that person as an officer of the Company and any legal costs incurred in defending an action in respect of such liability.
- (j) **(Winding Up)** Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of shares, on a winding up of the Company any surplus must be divided among the shareholders of the Company.
- (k) **(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.
- (l) **(Alteration to the Constitution)** The Constitution can only be amended by a special resolution passed by at least three quarters of shareholder's present and voting at the general meeting. At least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.
- (m) **(Listing Rules)** If the Company is admitted to trading on the Official List, then despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision. If the Listing Rules require the Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain

that provision. If a provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

4. RISK FACTORS

4.1 Overview

The New Options offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and investors should consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for New Options. Potential investors should consult their professional advisers before deciding whether to apply for New Options.

The Company's principal activity is mineral resource exploration and development and companies in this industry are subject to many and varied kinds of risks. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practical. Following are the risk factors which the Company believes are most important in the context of the Company's business.

The following list is not intended to be an exhaustive list of the risk factors relating to an investment in the Company and other risk factors may apply.

4.2 Company risks

(a) Future capital requirements

The Company has no operating revenue and is unlikely to generate any operating revenue unless and until its projects are successfully developed and production commences. The future capital requirements of the Company will depend on many factors, including the scale and type of its exploration activities.

The Company believes its available cash should be adequate to fund its exploration and corporate activities and other Company objectives in the short to medium term.

However, in order to successfully develop its projects and for production to commence, the Company will require additional financing in the future. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

Although the Directors believe that additional capital can be obtained as and when required, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Company's activities, including resulting in its interest in the Murraydium Project being subject to dilution or forfeiture and could affect the Company's ability to continue as a going concern.

(b) Future issuances of Shares

The Company may also issue additional securities to finance future activities. The Company cannot predict the size of future issuances of securities or the effect, if any, that future issuances of securities may have on the market price of the Shares. Issuances of substantial numbers of Shares, or the perception that such issues could occur, may adversely affect prevailing market prices of the Shares. With any additional issuance of Shares, investors will suffer dilution to their voting power and the Company may experience dilution in its earnings per share.

(c) Unforeseen expenses

The Company is not aware of any expenses that may need to be incurred that have not been taken into account. However, if such unforeseen expenses were

subsequently incurred, the expenditure proposals of the Company may be adversely affected.

(d) **Reliance on key management**

The Company is reliant on a number of key personnel employed or engaged by the Company. Loss of such personnel may have a materially adverse impact on the performance of the Company.

The Board is aware of the need to have sufficient management to properly supervise the exploration and (if successful) for the development of the Company's projects.

(e) **Land access risks**

The Company will require access to land to undertake its proposed activities. Negotiations with Native Title groups or owners/occupiers are generally required for the Company to be granted access to land. Any issues or delays with the negotiation to access the land may cause delay or adversely impact the Company's planned exploration activities.

Land access is critical for exploration and/or exploitation to succeed. It requires both access to the mineral rights and access to the surface rights. Minerals rights may be negotiated and acquired. In all cases the acquisition of prospective exploration and mining licences is a competitive business, in which proprietary knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential. The Company may not be successful in acquiring or obtaining the necessary licences to conduct exploration or evaluation activities outside of the Company's tenements.

(f) **Tenements and Title risk**

Australia

Interests in tenements in Australia are governed by State legislation and are evidenced by the granting of licences or leases (**Title Right**). Each licence or lease is for a specific term and has annual expenditure and reporting commitments, together with other conditions requiring compliance. The Company could lose its title to or its interest in one or more of the tenements in which it has an interest if licence conditions are not met or if insufficient funds are available to meet the minimum expenditure commitments.

The Company's tenements, and other tenements in which the Company may acquire an interest in the future, will be subject to renewal, which is usually at the discretion of the relevant authority. If a tenement is not renewed the Company may lose the opportunity to discover mineralisation and develop that tenement.

In respect of granted tenements, whilst it is the Company's intention to satisfy the conditions that apply to the tenements no assurance can be given that the Company will be successful in managing its minimum expenditure obligations and retaining such tenements. Should non-compliance with the conditions occur in the future, the Company may be subject to penalties or forfeiture applications. Any of these events could have a materially adverse effect on the Company's prospects and the value of its assets.

Further, Title Rights are subject to periodic renewal. There is no guarantee that current or future Title Rights will be approved. Renewal of the terms of the granted Title Right is at the discretion of the relevant government authority. Renewal conditions may include increased expenditure or work commitments or compulsory relinquishment of the areas comprising the Company's projects. 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.

Papua New Guinea²

² Please refer to section 4.5 in relation to the Company's current interests in Papua New Guinea.

Mining companies must obtain numerous licences, permits and approvals issued by various Papua New Guinea (**PNG**) governmental agencies and regulatory bodies that regulate operational, environmental and safety matters in connection with mineral exploration and mining in PNG. The applicable rules and regulations are complex and may change over time. There is a risk that all necessary licences, permits and approvals will not be granted, may be granted on terms not satisfactory to the Company, or may be granted but not within the timeframes anticipated by the Company.

Interests in tenements in PNG are governed by the mining acts and regulations that are current in that country and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to, or its interest in, the tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

All of the tenements in which the Company has an interest (or tenements in which the Company may acquire an interest in the future), will be subject to applications for renewal or exemption from expenditure (as the case may be). The renewal or exemption from expenditure for a tenement is usually determined at the discretion of the relevant government authority. If a tenement is not renewed or granted an exemption from expenditure, the Company may suffer damage through loss of opportunity to develop and discover minerals on that tenement.

(g) **Native Title and Heritage Risk**

Australia

The *Native Title Act 1993* (Cth) recognises certain rights of indigenous Australians over land where those rights have not been extinguished. These rights, where they exist, may impact on the ability of the Company to carry out exploration and in future, mining activities, or obtain exploration or mining licences in Australia. In applying for licences over crown land, the Company must observe the provisions of Native Title legislation.

There are also laws of the States and Territories which impose duties of care which require persons, including the Company, to take all reasonable and practical measures to avoid damaging or destroying Aboriginal cultural heritage.

In carrying out exploration and/or mining operations, the Company must observe Native Title legislation (where applicable), Aboriginal heritage legislation and heritage legislation which protects sites and objects of significance and these may delay or impact adversely on the Company's operations in Australia. These laws and regulations are subject to regular review and change.

Papua New Guinea³

Approximately 97 per cent of land in PNG is held by its traditional owners under customary principles of landownership. The specific elements and rules of the system of customary land tenure vary from place to place. However, customary landownership generally recognises the traditional users of land and their personal and clan arrangements for land use. In general, land held under such tenure is almost entirely communally owned and cannot be alienated other than through being acquired by the State.

The extent of land which has been acquired by the State is quite limited. Once the State has acquired land, the original customary 'traditional' landowners should have no further claims in respect of it and leases from the State over such land should be inviolable. However, at various times 'traditional' landowners have exercised considerable pressure by way of demands for additional compensation for land previously acquired by the State and legal challenges against the acquisition

³ Please refer to section 4.5 in relation to the Company's current interests in Papua New Guinea.

process. There have been isolated instances of threatened violence against holders of State leases.

Title to most land in PNG has not been recorded or registered and there has been little surveying. As a result, title to land (in Western legal terms) is often unclear. Disputes over land ownership are common, especially in the context of resource developments. Identifying all the affected landowners, and structuring compensation arrangements that are both fair and acceptable to all of them, can be difficult.

The Company believes that the satisfactory resolution of local landowner concerns is essential to the development and operation of a mine in PNG and believes that it enjoys sound relationships with the affected landowners. The Group has always been committed to spending considerable time, effort and expense in order to resolve landowner issues relating to the Tolukuma Project, but there can be no assurance that disruptions arising out of landowner dissatisfaction will not occur.

The PNG Government has limited powers under various statutes to acquire private property compulsorily if it is required for public purposes. Furthermore, the PNG National Parliament, in exercise of its sovereign power, could enact legislation to expropriate specific private property. While there are constitutional protections against the unjust acquisition of property owned by PNG citizens, no such protection is afforded to foreign enterprises. The Directors are not aware of any specific issues that might lead to the expropriation of the Company's assets in PNG and do not know of any case where this power has been exercised where companies are being properly managed and operating within their licences. However, the risk remains that this power could be exercised against the Company and there can be no assurance that any compensation would reflect what the Company considered to be the market value of the relevant assets.

(h) **New projects, potential acquisitions and joint ventures**

The Company has pursued and assessed to date, and will continue to actively pursue and assess, other new business opportunities, particularly those in the resource sector. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisitions of tenements/permits or direct equity participation.

If an acquisition is completed, the Directors will need to reassess, at that time, the funding allocated to current projects and new projects, which may result in the Company reallocating funds from other projects and/or the raising of additional capital (if available).

Furthermore, any new project or business acquisition may change the risk profile of the Company, particularly if the new project is located in another jurisdiction, involves a new commodity and/or changes the Company's capital and/or funding requirements.

Should the Company propose or complete the acquisition of a new project and/or business activity, investors should re-assess their investment in the Company in light of the new project and/or business activity.

(i) **Foreign currency and exchange rate fluctuations**

International prices of various commodities are denominated in United States dollars, whereas any potential income and the expenditure of the Company are and will be taken into account in Australian currency, therefore exposing the Company to fluctuations and volatility of the rate of exchange between the two currencies.

Accordingly, the revenues, earnings, costs, expenses, assets and liabilities of the Company may be exposed adversely to exchange rate fluctuation.

(j) **Approval risks**

The Company will be reliant on heritage, environmental and other approvals required in Australia or PNG to enable it to proceed with the exploration and

development of any of its tenements/licences or the granting of any tenement/licence applications. There is no guarantee that the required approvals will be granted, and failure by the Company to obtain the relevant approvals, or any delay in the award or transfer of the approvals, may materially and adversely affect the Company's ability to proceed with its proposed exploration and development programs.

(k) **Operations**

The exploration programs of the Company and project development and mining operations may be affected by numerous factors beyond the control of the Company. These may include adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, plant and equipment, and events involving fire or explosions and the occurrence of other incidents beyond the control of the Company.

(l) **Legislative Change and Government Policy**

Changes in laws and regulations in Australia and PNG may adversely affect the financial performance or the current and proposed operations generally of the Company. Changes in government regulations and policies may adversely affect the financial performance or the current and proposed operations generally of the Company.

Specifically, the availability and rights to explore for mineral, as well as operational profitability generally, can be affected by changes in government policy that are beyond the control of the Company.

Australia

The governments of the relevant States and Territories of Australia in which the Company has interests conduct reviews from time to time of policies in connection with the granting and administration of tenements. Changing attitudes to environmental, land care, cultural heritage or traditional religious artefacts and indigenous land rights issues, together with the nature of the political process, provide the possibility for future policy changes. There is a risk that such changes may affect the Company's exploration, development or operational plans or, indeed, its rights and/or obligations with respect to the tenements.

In addition to legislation changes, changes in relevant taxation, interest rates, other legal or administrative regimes, as well as Government policies in Australia may have an adverse effect on the assets, operations and ultimately the financial performance of both the Company and the entities in which it invests. These factors may ultimately affect the financial performance of the Company and the market price of its Securities.

Changing attitudes to financial services regulation and protection of investment activities, together with the nature of the political process, provide the possibility for future policy changes. There is a risk that such changes may affect the Company's business, operations or financial condition.

No assurance can be given that any new laws or regulations or that existing laws and regulations will not be applied in a manner which could limit or curtail the Company's activities and ultimate development or operations of its projects.

Amendments to current laws and regulations governing operations and activities of mining or more stringent implementation of them could have a substantial adverse impact on the current and any future project and therefore the Company.

Papua New Guinea⁴

The formulation or implementation of PNG Government policies may be unpredictable on certain issues including laws, policies and regulations that impact the Company's operations. The Company's exploration and mining operations are

⁴ Please refer to section 4.5 in relation to the Company's current interests in Papua New Guinea.

and will be subject to various PNG laws, policies and regulations governing the ownership, prospecting, development and mining of minerals, taxation and royalties, exchange controls, import and export duties, currency transfers, restrictions and foreign currency holding and repatriation of earnings, investment approvals, environmental matters, employee and social community relations and other matters.

The possibility that the current, or a future PNG Government may adopt substantially different policies with regard to the economy, taxation or the operation or regulation of nationally important assets such as mines cannot be ruled out. If the Company were not able to obtain or maintain necessary permits, authorisations or agreements to implement the project under conditions or within time frames that make such plans and operations economic, or if legal, ownership, fiscal (including all royalties and duties), exchange control, employment, environmental and social laws and regimes, or the governing political authorities change materially, resulting in changes to such laws and regimes, the Company's results of operations and its financial condition could be adversely affected.

4.3 Mining Industry risks

(a) Exploration and evaluation risks

The mineral tenements of the Company are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of these tenements, 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.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to permitting conditions, seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its tenements and 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 tenements.

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.

(b) Payment obligations

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

(c) Resource estimations

Resource estimates are expressions of judgment based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely to some extent on interpretations made. Despite employing qualified

professionals to prepare resource estimates, such estimates may nevertheless prove to be inaccurate. Furthermore, resource estimates may change over time as new information becomes available. Should the company encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be altered in a way that could adversely affect the Company's operations.

(d) **Ability to exploit successful discoveries**

It may not always be possible for the Company to exploit successful discoveries which may be made in areas in which the Company has an interest. Such exploration would involve obtaining the necessary licences or clearances from the relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploration may require participation of other companies whose interests and objectives may not be the same as the Company's.

(e) **Development risks and costs**

Possible future development of mining operations at any of the Company's projects is dependent on a number of factors and avoiding various risks including, but not limited to, failure to acquire and/or delineate economically recoverable ore bodies, unfavourable geological conditions, failing to receive the necessary approvals from all relevant authorities and parties, unseasonal weather patterns, excessive seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, unexpected shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, risk of access to the required level of funding and contracting risk from third parties providing essential services.

In addition, the construction of any proposed development may exceed the expected timeframe or cost for a variety of reasons out of the Company's control. Any delays to project development could adversely affect the Company's operations and financial results and may require the Company to raise further funds to complete the project development and commence operations.

(f) **Operating risks**

The Company may be subject to the risks involved in the establishment of a new mining operation if the Company decides to develop its mineral assets. There is no assurance that can be given to the level of viability that the Company's operations may achieve. Lower than expected productivity and technical difficulties and late delivery of materials and equipment could have an adverse impact on any future construction and commissioning schedules. No assurance can be given that the intended production schedules will be met or that the estimated operating cash costs and development costs will be accurate.

Further, the operations of the Company, if production commences, may have to be shut down or may otherwise be disrupted by a variety of risks and hazards which are beyond the control of the Company, including environmental hazards, industrial accidents, technical failures, labour disputes, weather conditions, fire, explosions and other accidents at the mine, processing plant or related facilities beyond the control of the Company. The occurrence of any of the risks and hazards could also result in damage to, or destruction of, amongst other things, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. While the Company currently maintains insurance within ranges of coverage consistent with industry practice and appropriate for its current activities, no assurance can be given that the Company will be able to obtain its future insurance coverage at reasonable rates (or at all, or that any coverage it obtains will be adequate and available to cover any such claims).

(g) **Government regulation**

The mining, processing, development and mineral exploration activities of the Company are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, environmental compliance and rehabilitation, land claims of local people, and other matters. Although the exploration and development activities of the Company are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Company.

(h) **Inherent mining risks**

The Company's business operations are subject to risks and hazards inherent in the mining industry. The exploration for and the development of mineral deposits involves significant risks, including: environmental hazards; industrial accidents; metallurgical and other processing problems; unusual or unexpected rock formations; structure cave-in or slides; flooding; fires and interruption due to inclement or hazardous weather conditions. These risks could result in damage to, or destruction of, mineral properties, production facilities or other properties, personal injury or death, environmental damage, delays in mining, increased production costs, monetary losses and possible legal liability.

Whether income will result from projects undergoing exploration and development programs depends on the successful establishment of mining operations. Factors including costs, actual mineralisation, consistency and reliability of ore grades and commodity prices affect successful project development.

(i) **Fluctuations in commodity prices**

The price of commodities fluctuates widely and is affected by numerous factors beyond the control of the Company such as industrial and retail supply and demand, exchange rates, inflation rates, changes in global economies, confidence in the global monetary system, forward sales by producers and speculators as well as other global or regional political, social or economic events. Future serious price declines in the market value of minerals could cause the continued development of, and eventually the commercial production from, the Company's projects and the Company's other properties to be rendered uneconomic. Depending on the price of minerals the Company could be forced to discontinue production or development and may lose its interest in, or may be forced to sell, some of its properties. There is no assurance that, even as commercial quantities of minerals are produced, a profitable market will exist for it.

In addition to adversely affecting the reserve estimates of the Company and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

(j) **Environmental risk**

Australia

The exploration and operational activities of the Company are subject to Australian laws concerning the environment. The Company is required under the laws to obtain environmental approval to commence drilling.

The Company's activities are expected to have an impact on the environment particularly if advanced exploration or mine site recommissioning or development proceeds. It is the Company's intention to continue to conduct its operations and activities to the highest standard of environmental obligation including but not limited to compliance with all environmental laws and regulations.

The Company's projects are subject to laws and regulations in relation to environmental matters. Laws and regulations intended to ensure the protection of the environment are constantly changing and are generally becoming more restrictive. There is a risk that the environmental laws and regulations could become more onerous making the Company's operations more expensive. There is no assurance that any future changes in environmental regulation will not adversely affect the Company's operations.

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 or production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events such as unpredictable rainfall, bushfires and the like may impact on the Company's ongoing compliance with environmental legislation and regulation.

As a result, there is the risk that the Company may incur liability under these laws and regulations, which the Company proposes to manage by conducting its programs in a responsible manner with regard to the environment.

Papua New Guinea⁵

The Company's ability to operate successfully in PNG communities will likely depend on its ability to develop, operate and close mines in a manner that is consistent with the health, safety and wellbeing of the Company's employees, the protection of the environment, and the creation of long term economic and social opportunities in the communities in which the Company operates. The Company seeks to promote improvements in health and safety, environmental performance and community relations. However, the Company's ability to operate could be adversely impacted by accidents or events detrimental (or perceived to be detrimental) to the health, safety and wellbeing of the Company's employees, the environment or the communities in which it operates.

The Company's operations involve the use of environmentally hazardous materials as well as the discharge of materials and contaminants into the environment, disturbance of land, and other environmental concerns. The activities of the Company are subject to significant environmental regulations promulgated by relevant PNG governmental authorities and other agencies periodically. Environmental legislation generally provides for the remediation of mining sites which may require significant capital expenditure. These laws and regulations, as interpreted by relevant agencies and courts, impose increasingly stringent environmental protection standards regarding, among other things, air emissions, wastewater storage, treatment and discharges, the use and handling of hazardous or toxic materials, waste disposal practices and remediation of environmental contamination. The costs of complying with these laws and regulations, including participation in assessments and remediation of sites, could be significant. In addition, these standards can create the risk of substantial environmental liabilities, including liabilities associated with divested assets and past activities. Environmental matters cannot be predicted with certainty, and amounts required to establish and maintain adequate provision for environmental liabilities may be significant, especially in light of potential changes in environmental conditions or the discovery of previously unknown environmental conditions, the risk of governmental orders to carry out compliance on certain sites not initially included in remediation in progress, and the potential liability of the Company to remediate sites for which provisions have not been previously established. Such future developments could result in increased environmental costs and liabilities that could have a material

⁵ Please refer to section 4.5 in relation to the Company's current interests in Papua New Guinea.

adverse effect on the Company's business, assets, financial position and results of operations.

4.4 General investment risks

(a) General Economic Conditions

Changes in the general economic climate in which the Company operates or holds investments in may adversely affect the financial performance of the Company. Factors that may contribute to that economic climate include the general level of economic activity, interest rates, currency fluctuations, inflation, supply and demand, industrial disruption, changes in investor sentiment, infectious diseases, terrorism or other hostilities and other economic factors. These factors are beyond the control of the Company and the Company cannot, with any degree of certainty, predict how they will impact on the Company. COVID-19 has negatively affected global economies and is likely to continue to negatively affect global economies for an undetermined period of time. Refer to section 4.4(g) for a description of the risks associated with COVID-19. For example, the Company's ability to undertake mining and exploration activities is dependent upon its ability to source and acquire appropriate mining equipment and personnel. Equipment and personnel are not always readily available and the market for mining equipment and personnel experiences fluctuations in supply and demand.

Increases in worldwide mining activities may create cost pressures for services and skilled personnel in the resources industry, which may affect the ability to purchase or hire equipment, supplies and services and to recruit skilled personnel in relation to the Company's projects. In addition, the availability of drilling rigs and other equipment and services is affected by the level and location of drilling activity around the world. An increase in drilling activity in PNG or in other areas in South-East Asia and Australia may reduce the availability of equipment and services to the Company.

In addition, an increased demand for mineral commodities may significantly increase the demand for many mining and processing inputs, which has resulted in shortages, as well as longer lead times for delivery and increases in pricing, of mining equipment and metallurgical plant, strategic spares and critical consumables. The reduced availability of equipment, services and skilled personnel may delay the planned exploration, development and production activities at the Project. A shortage of skilled labour in the PNG and Asia Pacific regional mining industry could result in the Company having insufficient employees or contractors to operate its business, which could adversely affect the Company's business, results of operations and financial condition.

(b) Management of risk

There is a risk that management of the Company will not be able to implement the Company's growth strategy after completion of the Offer. The capacity of the new management to properly implement and manage the strategic direction of the Company may affect the Company's financial performance.

(c) Competition risk

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

(d) Market risk

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

- (i) general economic outlook;

- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) commodity price fluctuations;
- (v) changes in investor sentiment toward particular market sectors;
- (vi) the demand for, and supply of, capital; and
- (vii) terrorism and other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(e) **Insurance and uninsured risks**

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

(f) **Investment speculative**

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

Therefore, the securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

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

(g) **Coronavirus (COVID-19) risk**

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 may adversely impact the Company's operations and are likely to be beyond the control of the Company. The Company's ability to freely move people and equipment to and from exploration projects may cause delays or cost increases. The effects of COVID-19 on the Company's Share price may also impede the Company's ability to raise capital, or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders.

(h) **Climate change**

There are a number of climate-related factors that may affect the Company's business or its assets.

Climate change or prolonged periods of adverse weather and climatic conditions (including rising sea levels, floods, hail, drought, water, scarcity, temperature extremes, frosts, earthquakes and pestilences) may have an adverse effect on the

Company's ability to access and utilise its tenements and/or on the Company's ability to transport or sell mineral commodities.

Changes in policy, technological innovation and consumer or investor preferences could adversely impact the Company's business strategy or the value of its assets (including its tenements), or may result in less favourable pricing for mineral commodities, particularly in the event of a transition (which may occur in unpredictable ways) to a lower-carbon economy.

(i) **Ukraine Conflict**

The current conflict between Ukraine and Russia (**Ukraine Conflict**) is impacting global economies and financial markets. The nature and extent of the effect the Ukraine Conflict may have on the Company's operations remains uncertain at this time. In the short to medium term, the Company's Share price may be adversely affected by the economic uncertainty caused by the Ukraine Conflict and the wider effect the conflict has on global economies and financial markets.

The Directors are monitoring the potential secondary and tertiary macroeconomic impacts of the Ukraine Conflict, including the fluctuations in commodity and energy prices and the potential risk of cyber activity impacting governments and businesses. Further, any governmental or industry measures taken in response to the Ukraine Conflict, including limitations on travel and changes to import/export restrictions and arrangements involving Russia, may adversely impact the Company's operations and are likely to be beyond the control of the Company. The Company is monitoring the situation closely and considers the impact of the Ukraine Conflict on the Company's business and financial performance to, at this stage, be limited. However, the situation is continually evolving and the consequences are therefore inevitably uncertain.

(j) **Force majeure**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics, pandemics or quarantine restrictions.

4.5 Papua New Guinea

The Company entered into a binding term sheet on 18 March 2022 to sell all of its interests in its wholly-owned subsidiary Frontier Copper (PNG) Limited, which holds the Tolukuma Project in PNG, to Lole Mining Ltd (**Binding Terms Sheet**). The Binding Terms Sheet is subject to a number of conditions precedent, including Lole Mining Ltd – a company incorporated in PNG – being listed (or Lole Mining Ltd being acquired by another entity that is listed) on the ASX or another recognised securities exchange.

On 5 August 2022, Tempest Minerals Limited (a company listed on ASX) announced that it had entered into a conditional agreement to acquire Lole Mining Ltd, subject to successful due diligence, shareholder approval and Lole Mining Ltd undertaking a pre-acquisition capital raise.

The information provided in sections 4.2(f), 4.2(g), 4.2(l) and 4.3(j) in relation to the risks associated with conducting mining operations in PNG is provided on the basis that the Company's PNG interests have not, as at the date of this Prospectus, been disposed of.

For further information in relation to the sale of the Company's PNG interests and the proposed takeover, please see the ASX announcements released by the Company on 18 March 2022 and by Tempest Minerals Limited on 5 August 2022 respectively.

4.6 Other risks

Other risk factors include those normally found in conducting business, including litigation through breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel and other matters that may interfere with the Company's business or trade.

5. ADDITIONAL INFORMATION

5.1 Continuous Disclosure Obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The New Options which will be issued pursuant to this Prospectus are in the same class as Options that have been quoted on the official list of the ASX during the 12 months prior to the issue of this Prospectus.

This Prospectus is a "transaction specific prospectus" to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus, and options over such continuously quoted securities. In general terms, "transaction specific prospectuses" are only required to contain information in relation to the effect of the issue of the New Options on the Company and the rights attaching to the New Options. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been 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 12 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.

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 most recent annual financial statements of the Company lodged with the ASIC before the issue of this Prospectus;
 - (ii) any half year report of the Company lodged with ASIC after the lodgement of the annual financial report in (i) above and before the lodgement of this Prospectus; and
 - (iii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the financial statements referred to in paragraph (i) above until the issue of the Prospectus in accordance with the Listing Rules, as referred to in section 674(1) of the Corporations Act.

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.

The Company, including as Frontier Resources Limited (the Company's former name), has lodged the following announcements with ASX since the lodgement of the Company's Annual Report, which contains the financial report for the year ended 30 June 2021:

Date	Description of Announcement
10 August 2022	Heritage Surveys Underway at Lyons Rare Earth Project
8 August 2022	PNG Project Sale Update
3 August 2022	Investor Presentation
3 August 2022	Proposed issue of securities – LNR
3 August 2022	Lanthanein Completes \$1.75M Placement
1 August 2022	Trading Halt
29 July 2022	Quarterly Activities/Appendix 5B Cash Flow Report
24 June 2022	Murraydium Ionic Clay Hosted REE Project Drilling Approval
10 June 2022	Gascoyne REE Project - Intrusive Targets Defined in 3D Model
6 June 2022	Change of Share Registry Details
23 May 2022	Company Name Change & New ASX Code - LNR
13 May 2022	Change of Director's Interest Notice
13 May 2022	Notification regarding unquoted securities - FNT
12 May 2022	Results of Meeting
11 May 2022	Positive Metallurgy Results for Gascoyne REE Project
4 May 2022	960.1ppm TREO in Historic Surface Sample at Mt Clere Project
29 Apr 2022	Quarterly Activities Report
29 Apr 2022	Quarterly Cashflow Report
26 Apr 2022	Drill Plan Targeting Gascoyne Rare Earth Elements
19 Apr 2022	Exploration Licence Granted at Murraydium Rare Earth Project
8 Apr 2022	Letter to Shareholders - Notice of General Meeting
8 Apr 2022	Notice of General Meeting/Proxy Form
31 Mar 2022	Gascoyne REE Project- Drilling Contract Awarded, Rig Secured
22 Mar 2022	Cleansing Notice
22 Mar 2022	Application for quotation of securities - FNT
21 Mar 2022	Proposed issue of securities - FNT

Date	Description of Announcement
21 Mar 2022	High-Grade Rare Earth Discoveries Confirmed
18 Mar 2022	PNG Project Sale
18 Mar 2022	Trading Halt
14 Mar 2022	Half Yearly Report and Accounts
3 Mar 2022	Gascoyne REE Project Discovers Further Outcropping Ironstone
28 Feb 2022	128,000oz Au Maiden Inferred Resource at Saki Prospect PNG
15 Feb 2022	Tolukuma Tenement Renewed
11 Feb 2022	Multiple Priority 1 Targets at Gascoyne Rare Earths Project
7 Feb 2022	Response to ASX Price and Volume Query
4 Feb 2022	Initial Director's Interest Notice
4 Feb 2022	Final Director's Interest Notice
4 Feb 2022	Appointment of Non-Executive Chairman
28 Jan 2022	Quarterly Activities Report
28 Jan 2022	Quarterly Cashflow Report
18 Jan 2022	Gascoyne Rare Earths Airborne Survey Data Review Underway
5 Jan 2022	Cleansing Notice
5 Jan 2022	Taula Trench & Rock Sample Results Include 1m @ 11.15g/t Au
4 Jan 2022	Acquisition of REE & High Purity Alumina Projects Completed
4 Jan 2022	Application for quotation of securities - FNT
4 Jan 2022	Notification regarding unquoted securities - FNT
23 Dec 2021	Change of Directors' Interest Notices
22 Dec 2021	Notification regarding unquoted securities - FNT
21 Dec 2021	Cleansing Notice
21 Dec 2021	Application for quotation of securities - FNT
21 Dec 2021	Notification regarding unquoted securities - FNT
17 Dec 2021	Results of Meeting
1 Dec 2021	Taula Fieldwork Completed Showing Enhanced Potential
29 Nov 2021	Encouraging First Pass Rock Chip Results & Desktop Review

Date	Description of Announcement
22 Nov 2021	New Rare Earth & Lithium Pegmatite Exploration Project
19 Nov 2021	Results of Meeting
16 Nov 2021	Letter to Shareholders - Notice of Shareholder Meeting
16 Nov 2021	Notice of Extraordinary General Meeting/Proxy Form
15 Nov 2021	Airborne Magnetic-Radiometric Survey Commenced at Gascoyne
8 Nov 2021	Reconnaissance Rock Chip Sampling Program Completed
3 Nov 2021	Acquisition Presentation - Dalkeith Capital
1 Nov 2021	Proposed issue of securities - FNT
1 Nov 2021	Proposed issue of securities - FNT
1 Nov 2021	Rare Earth and High Purity Alumina Projects Acquisition
28 Oct 2021	Trading Halt
27 Oct 2021	Quarterly Activities Report
27 Oct 2021	Quarterly Cashflow Report
26 Oct 2021	Saki Final Trench Sampling Results Including 1m @128g/t Au
22 Oct 2021	Initial Director's Interest Notice
22 Oct 2021	Final Director's Interest Notice
22 Oct 2021	Director Appointment/Resignation
18 Oct 2021	Annual General Meeting - Notice of Access
18 Oct 2021	Notice of Annual General Meeting/Proxy Form
13 Oct 2021	Commencement of Fieldwork at the Taula Prospect
8 Oct 2021	Cleansing Notice
8 Oct 2021	Murraydium Drill Program Planning
5 Oct 2021	Notification regarding unquoted securities - FNT
1 Oct 2021	Change of Directors' Interest Notices
1 Oct 2021	Application for quotation of securities - FNT
1 Oct 2021	Application for quotation of securities - FNT
1 Oct 2021	Notification regarding unquoted securities - FNT
1 Oct 2021	Application for quotation of securities - FNT

Date	Description of Announcement
29 Sep 2021	Annual Report to Shareholders

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.

5.2 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the offer of New Options pursuant to this Prospectus; or
- (c) the offer of New Options pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Options or otherwise) to any Director or to any firm in which any such Director is a partner, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the formation or promotion of the Company or offer of New Options pursuant to this Prospectus.

Directors' direct and indirect interests in securities of the Company at the date of this Prospectus are:

Director	Shares	Options
David Frances	Nil	11,250,000 ¹
Brian Thomas	Nil	7,500,000 ²
Peter Swiridiuk	Nil	7,500,000 ²

Notes:

- Options exercisable at \$0.045 expiring 13 May 2025 (LNRAR).
- Option exercisable at \$0.03 expiring 31 December 2024 (LNRAO). The Company is not intending to seek approval for quotation of these options. Please see section 2.2 for further information.

The Directors may be paid such remuneration as is from time to time determined by the Company in general meeting and all travelling, hotel and other expenses properly incurred by them in attending at and returning from meetings of the directors or any committee of the directors or general meetings of the Company or otherwise in connection with the business of the Company. The Directors' remuneration is deemed to accrue from day to day and the remuneration (other than a managing director or other executive director) shall be a fixed sum and not a commission or calculated on a percentage of profits or turnover.

A Director may be paid a fee 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.

The Directors' remuneration for the past two financial years and the proposed remuneration for the current financial year, is set out in the table below:

Director	30 June 2021	30 June 2022	30 June 2023
David Frances ¹	N/A	\$15,750	\$60,000
Brian Thomas ²	N/A	\$82,855	\$194,000
Peter Swiridiuk	\$155,025	\$175,420	\$209,000

Notes:

1. Appointed 4 February 2022.
2. Appointed 22 October 2021.

5.3 Estimated Expenses of the Offer

The estimated expense of the Offer is approximately \$10,000, including ASIC, ASX and legal costs.

5.4 Litigation

The Company is not currently involved in any material legal proceedings.

5.5 Privacy Act

If you complete an application for New Options, 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, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

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

You can access, correct and update the personal information that we hold about you. Please contact the Company or its registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

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

5.6 Electronic Prospectus

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

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please phone the Company on +61 8 9486 4036 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

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

5.7 Directors' Consent

Each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

Signed on behalf of the Directors pursuant to a resolution of the Board.

A handwritten signature in blue ink, consisting of a stylized 'D' followed by a series of loops and a long horizontal stroke.

David Frances
Non-Executive Chairman

6. GLOSSARY

A\$, \$ and dollars	Australian dollars, unless otherwise stated.
Adviser Options	Has the meaning given to it in section 1.1.
Application	An application for New Options pursuant to the Application Form.
Application Form	The application form attached to or accompanying this Prospectus.
Application Money	The money received in respect of an Application.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited (ACN 98 008 624 691) or the market operated by that entity, as the context requires.
ASX Listing Rules	Means the listing rules of the ASX.
ASX Settlement	ASX Settlement Pty Ltd (ACN 49 008 504 532).
ASX Settlement Operating Rules	The settlement rules of ASX Settlement.
Binding Terms Sheet	Has the meaning given to it in section 4.5.
Board	The Board of Directors.
CHES	ASX Clearing House Electronic Sub-register System.
Closing Date	5pm WST on 19 August 2022 or such other date as may be determined by the Directors under this Prospectus.
Company	Lanthanein Resources Limited (ACN 095 684 389).
Constitution	The constitution of the Company, as amended from time to time.
Corporations Act	The <i>Corporations Act 2001</i> (Cth).
December 2024 Options	Has the meaning given to it in section 1.1.
Director	A Director of the Company at the date of this Prospectus and Directors has a corresponding meaning.
Listing Rules	The official listing rules of the ASX.
New Option	An Option in the capital of the Company to be issued under this Prospectus.
Offer	Means the offer described in section 1.3.
Opening Date	10 August 2022.
Official Quotation	Official quotation on ASX.
Option	An option to acquire a Share in the Company.
Optionholder	The holder of an Option in the Company.
Placement	Has the meaning given to it in section 1.1.

Placement Options	Has the meaning given to it in section 1.1.
Prospectus	The prospectus constituted by this document.
Share	A fully paid ordinary share in the capital of the Company.
Shareholder	The holder of a Share.
TMD	Target Market Determination.
WST	Australian Western Standard Time.

CORPORATE DIRECTORY

Directors

David Frances, Non-Executive Chairman
Peter Swiridiuk, Non-Executive Director
Brian Thomas, Non-Executive Director

Registered Office

Level 8
99 St Georges Terrace
Perth WA 6000
Telephone: (+61) 8 9486 4036
Email: info@lanthanein.com
Website: www.lanthanein.com

Company Secretary

Matthew Foy

Auditor*

Moore Australia Audit (WA)
Level 15, 2 The Esplanade
Perth WA 6000

Share Registry*

Automic Group Pty Ltd
Level 5, 126 Phillip Street
Sydney NSW 2000

* This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.