

**CULPEO MINERALS LIMITED**  
**ACN 627 735 531**

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**ENTITLEMENT ISSUE PROSPECTUS**

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For a pro-rata non-renounceable entitlement issue of one (1) Share for every seven (7) Shares held by Eligible Shareholders registered at the Record Date at an issue price of \$0.12 per Share together with one (1) free new Option for every two (2) Shares applied for and issued to raise up to \$1,022,429 (based on the number of Shares on issue as at the date of this Prospectus) (**Entitlement Offer**).

This Prospectus also contains an offer of Placement Options and Lead Manager Options to participants in the Placement and the Lead Manager (respectively).

**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.

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## IMPORTANT NOTICE

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This Prospectus is dated 14 October 2022 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 or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for offers of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

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 5.

### Overseas shareholders

The Offers do not, and are not intended to, constitute offers 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 Offers are not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia, New Zealand, Canada (British Columbia, Ontario and Quebec provinces only) or the United States of America.

For further information on overseas Shareholders please refer to Section 2.12.

### 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 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 6.2 for further details.

### **Target Market Determination**

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offers of Options issued under this Prospectus. The Company and the Lead Manager 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.culpeominerals.com.au](http://www.culpeominerals.com.au)).

By making an application under the Offers, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

### **Electronic Prospectus**

A copy of this Prospectus can be downloaded from the website of the Company at [www.culpeominerals.com.au](http://www.culpeominerals.com.au). If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be a resident of Australia, New Zealand, Canada (British Columbia, Ontario and Quebec provinces only) or the United States of America and must only access this Prospectus from within Australia, New Zealand, Canada (British Columbia, Ontario and Quebec provinces only) or the United States of America.

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 9322 1587 during office hours or by emailing the Company at [info@culpeominerals.com.au](mailto:info@culpeominerals.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 Entitlement Offer or how to accept the Entitlement Offer please call the Company Secretary on +61 8 9322 1587.

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## CORPORATE DIRECTORY

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### Directors

Maxwell Tuesley  
*Managing Director*

Geoffrey McNamara  
*Non-Executive Chairman*

Paul Schmiede  
*Non-Executive Director*

Zeffron Reeves  
*Non-Executive Director*

### Joint Company Secretaries

Shannon Coates  
Sarah Wilson

### Registered Office

Suite 5, 62 Ord Street  
WEST PERTH WA 6005

Telephone: + 61 8 9322 1587

Email: [info@culpeominerals.com.au](mailto:info@culpeominerals.com.au)  
Website: [www.culpeominerals.com.au](http://www.culpeominerals.com.au)

### Auditor

RSM Australia Partners  
Level 32, Exchange Tower  
2 The Esplanade  
PERTH WA 6000

### Share Registry\*

Computershare Investor Services Pty  
Limited

Level 11, 172 St Georges Terrace  
PERTH WA 6000

Telephone: (08) 9323 2000

Website: [www.computershare.com.au](http://www.computershare.com.au)

### Legal Advisers

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

### Lead Manager

Peak Asset Management  
39/55 Collins Street  
MELBOURNE VIC 3005

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## 1. KEY OFFER INFORMATION

### 1.1 Timetable

Event	Date
Lodgement of Prospectus with the ASIC	Friday, 14 October 2022
Lodgement of Prospectus and Appendix 3B with ASX	Friday, 14 October 2022
Ex date	Tuesday, 18 October 2022
Record Date for determining Entitlements	Wednesday, 19 October 2022
Issue Placement Shares and lodge Appendix 2A with ASX applying for quotation of Placement Shares	Thursday, 20 October 2022
Offer opening date, Prospectus sent out to Eligible Shareholders and Company announces this has been completed	Monday, 24 October 2022
Last day to extend the Closing Date	Tuesday, 1 November 2022
Closing Date as at 5:00pm*	Friday, 4 November 2022
Securities quoted on a deferred settlement basis	Monday, 7 November 2022
ASX notified of under subscriptions	Wednesday, 9 November 2022
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Entitlement Offer Securities	Friday, 11 November 2022
Quotation of Securities issued under the Entitlement Offer**	Monday, 14 November 2022
Annual General Meeting of the Company	Friday, 25 November 2022
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Placement Options and Lead Manager Options	Monday, 28 November 2022
Quotation of Placement Options and Lead Manager Options	Tuesday, 29 November 2022

\*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 Securities are expected to commence trading on ASX may vary.

## 1.2 Key statistics of the Offers

### Shares

	Maximum Subscription (\$1,022,249) <sup>1</sup>
Entitlement Offer Price per Share	\$0.12
Entitlement Ratio (based on existing Shares)	1:7
Shares currently on issue	59,641,688
Shares to be issued under the Entitlement Offer	8,520,241
Shares to be issued under the Placement	9,347,917
Gross proceeds of the issue of Shares under the Entitlement Offer	\$1,022,429
Gross proceeds of the issue of Shares under the Placement	\$1,121,750
<b>Shares on issue post-Offers</b>	<b>77,509,846</b>

#### Notes:

1. Assuming the Maximum Subscription of 8,520,241 is achieved under the Entitlement Offer.
2. Refer to Section 4.1 for the terms of the Shares.

### Options

	Maximum Subscription (\$1,022,249) <sup>1</sup>
Entitlement Offer Price per New Option	Nil
Option Entitlement Ratio (based on Shares subscribed for)	1:2
Options currently on issue	Nil
Entitlement Options to be issued under the Entitlement Offer <sup>3</sup>	4,260,121
Advisor Options to be issued under the Advisor Options Offer <sup>4</sup>	5,250,000 <sup>5</sup>
Placement Options to be issued under Placement Options Offer <sup>6</sup>	4,673,959
<b>Options on issue post-Offers</b>	<b>14,184,079</b>

#### Notes:

1. Assuming the Maximum Subscription of 8,520,241 is achieved under the Entitlement Offer.
2. Refer to Section 4.2 for the terms of the Entitlement Options.
3. Refer to Section 4.2 for the terms of the Lead Manager Options.
4. Refer to Section 4.2 for the terms of the Advisor Options.
5. 5,250,000 Advisor Options, comprising:
  - (a) 250,000 Red Cloud Options to be issued to Red Cloud; and

(b) 5,000,000 Lead Manager Options to be issued to Peak.

6. Refer to Section 4.2 for the terms of the Placement Options.

### 1.3 Background – Placement

As announced on 13 October 2022, the Company has received firm commitments from professional and sophisticated investors for a placement of 9,347,917 Shares at an issue price of \$0.12 per Share (**Placement Shares**) to raise approximately \$1,121,750 (before costs) (**Placement**).

Pursuant to the terms of the Placement, the Company proposes to issue the Placement Shares together with one (1) free attaching new Option for every two (2) Placement Shares subscribed for (**Placement Options**).

The Company intends to issue the Placement Shares on 20 October 2022 pursuant to the Company's available placement capacity under ASX Listing Rules 7.1 and 7.1A.

The Placement Options are being issued pursuant to this Prospectus, subject to Shareholder approval sought at the Company's Annual General Meeting, to be held on Friday, 25 November 2022.

The Placement Options will be issued on the terms and conditions set out in Section 4.2 of this Prospectus.

Further details in respect of the Placement are set out in the ASX announcement released by the Company on 13 October 2022.

### 1.4 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 5.

### 1.5 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	Performance Rights	Share Entitlement	New Option Entitlement	\$
Maxwell Tuesley <sup>1</sup>	1,500,000	Nil	2,000,000	214,286	107,143	25,714
Geoffrey McNamara <sup>2</sup>	5,686,665	Nil	700,000	812,381	406,190	97,486
Paul Schmiede <sup>3</sup>	432,500	Nil	700,000	61,786	30,893	7,414
Zeffron Reeves <sup>4</sup>	1,321,212	Nil	700,000	188,745	94,372	22,649



**Notes:**

1. All securities are held directly by Mr Tuesley.
2. Comprising:
  - (a) 1,854,546 fully paid ordinary shares held on behalf of Mr McNamara by Linkwood Holdings Pte Ltd (**Linkwood**). Mr McNamara is a director and substantial shareholder of Linkwood;
  - (b) 3,832,119 fully paid ordinary shares held on behalf of Mr McNamara by Tanamera Resources Pte Ltd (**Tanamera**). Mr McNamara is the sole director and shareholder of Tanamera; and
  - (c) 700,000 performance rights on behalf of Mr McNamara by Tanamera.
3. Comprising:
  - (a) 432,500 fully paid ordinary shares held on behalf of Mr Schmiede by Vermiculite 987 Pty Ltd as trustee for the Mzungu Superannuation Fund. Mr Schmiede is a director of Vermiculite 987 Pty Ltd and a beneficiary of the Mzungu Superannuation Fund; and
  - (b) 700,000 performance rights on behalf of Mr Schmiede by Turquoise 987 Pty Ltd as trustee for the Obsidian 987 Trust. Mr Schmiede is a director of Turquoise 987 Pty Ltd and a beneficiary of the Obsidian 987 Trust.
4. All securities are held on behalf of Mr Reeves by the Palin Trust. Mr Reeves is a beneficiary of the Palin Trust.

The Board recommends all Eligible Shareholders take up their Entitlements. The Board advises that the following Directors intend to take up the following Entitlements:

- (a) Tanamera Resources Pte Ltd (**Tanamera**), an entity of which Mr Geoffrey McNamara is the sole director and shareholder, intends to take up its full Entitlement. In addition, subject to Shareholder approval to be sought pursuant to ASX Listing Rule 10.11 at the Company's upcoming Annual General Meeting, Tanamera intends to apply for Shortfall under the Shortfall Offer;
- (b) Mr Paul Schmiede intends to take up his full Entitlement; and
- (c) Mr Maxwell Tuesley intends to take up a part of his Entitlement but has not yet made a decision on the amount.

## 1.6 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	%
Geoffrey McNamara <sup>1</sup>	5,686,665	9.53

**Notes:**

1. Comprising:
  - (a) 1,854,546 fully paid ordinary shares held on behalf of Mr McNamara by Linkwood. Mr McNamara is a director and substantial shareholder of Linkwood; and
  - (b) 3,832,119 fully paid ordinary shares held on behalf of Mr McNamara by Tanamera. Mr McNamara is the sole director and shareholder of Tanamera;

As a result of the issue of the Placement Shares and in the event all Entitlements are accepted, Mr McNamara will have a relevant interest in 8.38% of the Shares on issue.

## 1.7 Lead Manager

CoPeak Corporate Pty Ltd (as Trustee for Peak Asset Management Unit Trust) (ACN 632 277 144), an authorised representative of Dayton Way Securities Pty Ltd (ACN 124 327 064) under its Australian Financial Services Licence No. 382585 (**Peak** or **Lead Manager**) has been appointed as the lead manager to the Entitlement Offer. Terms of the lead manager mandate and total fees payable are set out in Section 6.4 below.

## 1.8 Effect on Control

Based on current shareholding and Entitlements of Shareholders (including substantial Shareholders) as at the date of this Prospectus, regardless of the amount raised under the Entitlement Offer, no Shareholder will increase their holding, to an amount in excess of 19.9% through applying for their Entitlements.

Further as set out in Section 2.9, on the basis of the allocation policy, no person will acquire, through participation in the Shortfall Offer a holding of Shares of, or increase their holding to, an amount in excess of 19.9% of all the Shares on issue on completion of the Offers.

Further there will be no change to any Shareholder's voting power as a result of the issue of the Options. Where Options are exercised into Shares, the voting power of the Shareholders who exercise the Options will increase. The likelihood of Options being exercised is dependent on the price of Shares from time to time until the Options expire.

## 1.9 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 Entitlement Offer, their holdings are likely to be diluted by approximately 12.5% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).

No immediate dilution will occur as a result of the issue of Options under this Prospectus. However subsequent exercise of any or all of the Options will result in dilution. Assuming all Options offered pursuant to this Prospectus are issued and exercised into Shares, Shareholders who do not participate in the Entitlement Offer, are likely to be diluted by an aggregate of approximately 34.96% (as compared to their holdings and number of Shares on issue as at the date of the 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 Entitlement Offer	Holdings if Entitlement Offer not taken up	% post Offer
Shareholder 1	10,000,000	16.77%	1,428,571	10,000,000	12.90%
Shareholder 2	5,000,000	8.38%	714,286	5,000,000	6.45%
Shareholder 3	1,500,000	2.52%	214,286	1,500,000	1.94%

Holder	Holding as at Record date	% at Record Date	Entitlements under the Entitlement Offer	Holdings if Entitlement Offer not taken up	% post Offer
Shareholder 4	400,000	0.67%	57,143	400,000	0.52%
Shareholder 5	50,000	0.08%	7,143	50,000	0.06%
<b>Total</b>	<b>16,950,000</b>		<b>2,421,429</b>	<b>16,950,000</b>	

**Notes:**

1. This is based on a share capital of 59,641,688 Shares as at the date of the Prospectus and assumes no other Shares are issued and Options or Performance Rights 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 Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

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## **2. DETAILS OF THE OFFER**

### **2.1 Entitlement Offer**

The Entitlement Offer is being made as a pro-rata non-renounceable entitlement issue of one (1) Share for every seven (7) Shares held by Eligible Shareholders registered at the Record Date at an issue price of \$0.12 per Share together with one (1) Option for every two (2) Shares subscribed for and issued (**Entitlement Options**). 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, approximately 8,520,241 Shares and 4,260,121 Entitlement Options may be issued under the Entitlement Offer to raise up to \$1,022,429. No funds will be raised from the issue of the Entitlement Options.

As at the date of this Prospectus the Company has no Options on issue. Please refer to Section 4.2 for information on the exercise price and expiry date of the Entitlement Options to be issued.

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 Options will be exercisable at \$0.18 on or before two (2) years from the date of their issue and otherwise on the terms set out in Section 4.2.

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

### **2.2 Offers of Placement Options and Lead Manager Options**

This Prospectus also contains offers for the issue of the Placement Options and the Advisor Options (defined below) for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Placement Options and Advisor Options issued by the Company prior to the Closing Date of the Placement Options Offer and Advisor Options Offer.

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.

Further details of the Placement Options Offer and Advisor Options Offer are set out below.

## **2.3 Advisor Options Offer**

This Prospectus includes an offer of:

- (a) 5,000,000 Options to the Lead Manager (or its nominees) (**Lead Manager Options**) under the Advisor Options Offer in consideration for services provided in connection with the Entitlement Offer; and
- (b) up to 250,000 Advisor Options to Red Cloud Securities Inc. (**Red Cloud**) (or its nominees) (**Red Cloud Options**) under the Advisor Options Offer in consideration for services provided in connection with the Placement,

(together, the **Advisor Options**).

Accordingly, no funds will be raised from the issue of the Advisor Options.

The Advisor Options offered will only be issued to the Lead Manager and Red Cloud (or their nominees). Application Forms in respect of the Advisor Options Offer will only be provided by the Company to the Lead Manager and Red Cloud (or its nominees).

The issue of the Advisor Options is subject to Shareholder approval at the Annual General Meeting of the Company to be held on or about 25 November 2022.

The Advisor Options will be issued on the terms and conditions set out in Section 4.2 of this Prospectus.

## **2.4 Placement Options Offer**

This Prospectus includes an offer of up to 4,673,959 Placement Options under the Placement Options Offer. As set out in Section 1.3, the Placement Options will be offered for nil consideration to the participants in the Placement. Accordingly, no funds will be raised from the Placement Options Offer, as the Placement Options are being issued for nil cash consideration.

Only participants in the Placement (or their nominees) may apply for the Placement Options. Application Forms in respect of the Placement Options Offer will only be provided by the Company to these parties.

The issue of the Placement Options is subject to Shareholder approval at the Annual General Meeting of the Company to be held on or about 25 November 2022.

The Placement Options will be issued on the terms and conditions set out in Section 4.2 of this Prospectus.

## 2.5 Entitlement Offer - 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
<b>Take up all of your Entitlement</b>	<p>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 or which can be accessed at <a href="http://www.computersharecas.com.au/cpo-nrej">www.computersharecas.com.au/cpo-nrej</a>. Please read the instructions carefully.</p> <p>Payment can be made by the methods set out in Section 2.6. As set out in Section 2.6, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form.</p>	Section 2.6 and Section 2.7.
<b>Take up all of your Entitlement and also apply for Shortfall Securities</b>	<p>Should you wish to accept all of your Entitlement and apply for Shortfall Securities, then your application for your Entitlement and additional Shortfall Securities under this Prospectus must be made by following the instructions on your personalised Entitlement and Acceptance Form which accompanies this Prospectus, or which can be accessed at <a href="http://www.computersharecas.com.au/cpo-nrej">www.computersharecas.com.au/cpo-nrej</a>. Please read the instructions carefully.</p> <p>Payment can be made by the methods set out in Section 2.6. Payment should be made for your Entitlement and the amount of the Shortfall for which you are applying.</p> <p>If you apply for Shortfall Securities beyond your Entitlement you are deemed to have accepted your Entitlement in full. You should note that the allocation of Shortfall Securities is at the Company's absolute discretion as per the allocation policy set out in Section 2.9. Accordingly, your application for additional Shortfall Securities may be scaled-back.</p> <p>The Company's decision on the number of Shortfall Securities to be allocated to you will be final.</p>	Sections 2.6, 2.7 and 2.9.
<b>Take up a proportion of your Entitlement and allow the balance to</b>	<p>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 personalised Entitlement and Acceptance Form which accompanies this Prospectus or which can be accessed at</p>	Section 2.6 and Section 2.7

Option	Key Considerations	For more information
<b>lapse</b>	<a href="http://www.computersharecas.com.au/cpo-nrei">www.computersharecas.com.au/cpo-nrei</a> for the number of Securities you wish to take up and making payment using the methods set out in Section 2.6 below. As set out in Section 2.6, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form.	
<b>Allow all or part of your Entitlement to lapse</b>	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 Entitlement Offer is non-renounceable. Accordingly, an Eligible Shareholder may not sell or transfer all or part of their Entitlement.

## 2.6 Payment options

### **Item 1 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®:

- (a) 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;
- (b) 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) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

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 2:00pm (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).

## Item 2 **By Electronic Funds Transfer (overseas applicants)**

For payment by Electronic Funds Transfer (**EFT**) for overseas Eligible Shareholders, please follow the instructions on the Electronic Funds Transfer Form which can be accessed at [www.investorcentre.com/au](http://www.investorcentre.com/au). Click on 'Single holding' and follow the prompts. The Form is located with your Entitlement and Acceptance Form under 'Documents'. 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:

- (a) 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;
- (b) 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) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

## Item 3 **By Cheque or cash**

Payment by cheque or cash will not be accepted.

### **2.7 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.

### **2.8 Minimum subscription**

There is no minimum subscription.

### **2.9 Shortfall Offer**

Any Entitlement not taken up pursuant to the Entitlement 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 \$0.12 being the price at which Shares have been offered under the Entitlement 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 Entitlement Offer.

Eligible Shareholders who wish to subscribe for Securities above their Entitlement are invited to apply for Shortfall Securities under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shortfall Securities in accordance with Sections 2.6.

The Board presently intends to allocate Shortfall Securities as follows:

- (a) to Eligible Shareholders who apply for an excess of their full Entitlement, so long as the issue of Shortfall Securities to that Eligible Shareholder would not take their voting power to in excess of 19.99%; and then
- (b) to other parties identified by the Directors, which may include parties who are not currently Shareholders.

No Shares will be issued to a party under the Shortfall Offer if the effect would be to increase that party's voting power in the Company to an amount greater than 19.99%.

The Company reserves the right to issue an Eligible Shareholder a lesser number of Shortfall Securities than applied for or no Shortfall Securities at all. However, the Directors do not intend to refuse an application for Shortfall Securities from Eligible Shareholders other than in circumstances of oversubscription or where acceptance may result in a breach of the Corporations Act. If the number of Shortfall Securities applied for by Eligible Shareholders exceeds the total Shortfall, the Shortfall Securities will be allocated among applying Eligible Shareholders proportionate to their existing holdings.

All decisions regarding the allocation of Shortfall Securities will be made by the Directors and will be final and binding on all applicants under the Shortfall Offer and as such there is no guarantee that any Shortfall Securities applied for will be issued to Eligible Shareholders.

The Company will have no liability to any Applicant who receives less than the number of Shortfall Securities they applied for under the Shortfall Offer. If the Company scales back any applications for Shortfall Securities under the Shortfall Offer any Application monies will be returned (without interest) as soon as practicable.

## **2.10 ASX listing**

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. 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.

Application for Official Quotation of all the Options offered pursuant to this Prospectus will be made in accordance with the timetable set out at Section 1.1. If ASX does not grant Official Quotation of the Options offered pursuant to this Prospectus, or if the Company does not meet the minimum requirements to be granted Official Quotation of the Options, then those Options will still be issued, however, will not be quoted on ASX.

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

## **2.11 Issue of Securities**

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

Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Securities issued is less than the number applied for, or where no issue is made surplus Application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

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 Offers will be mailed as soon as practicable after the issue of Securities and for Shortfall Securities issued under the Shortfall Offer as soon as practicable after their issue.

## **2.12 Overseas shareholders**

This Entitlement 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 Entitlement Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia, New Zealand and Singapore or as contemplated below.

### **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 2021 (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.

### **Canada (British Columbia, Ontario and Quebec provinces)**

This document constitutes an offering of Securities only in the Provinces of British Columbia, Ontario and Quebec (the **Provinces**), only to persons to whom

Securities may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not a prospectus, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons who are "accredited investors" within the meaning of National Instrument 45-106 – Prospectus Exemptions, of the Canadian Securities Administrators.

No securities commission or authority in the Provinces has reviewed or in any way passed upon this document, the merits of the Securities or the offering of such securities and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of Securities or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the Securities in the Provinces must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

#### Statutory rights of action for damages and rescission

Securities legislation in certain Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser's Province for particulars of these rights or consult with a legal adviser.

#### Certain Canadian income tax considerations

Prospective purchasers of the Securities should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the Securities as there are Canadian tax implications for investors in the Provinces.

#### Language of documents in Canada

Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to

the sale of the Securities (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

### **Singapore**

This document and any other materials relating to the Securities have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document relating to the Securities may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the **SFA**) or another exemption under the SFA.

This document has been given to you on the basis that you are an existing holder of the Company's shares. If you are not such a shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Securities being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire Securities. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

#### **Representations of investors**

No representation of investors is necessary or customary when relying upon the above exemption.

### **United States**

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. None of the Securities have been, or will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, none of these securities may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

The Securities will only be offered and sold in the United States to:

- (a) "institutional accredited investors" within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9) and (12) under the US Securities Act; and
- (b) dealers or other professional fiduciaries organized or incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US persons and for which they exercise investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act.

***Nominees and custodians***

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Eligible Shareholder resident outside Australia, New Zealand, Canada (British Columbia, Ontario and Quebec provinces only) or the United States of America without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

Nominees and custodians may not distribute this document, and may not permit any beneficial shareholder to participate in the Offers, in any country outside Australia and Singapore except, with the consent of the Company, to beneficial shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the Offers.

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### 3. PURPOSE AND EFFECT OF THE OFFERS

The purpose of the Entitlement Offer is to raise up to \$1,022,429 before costs.

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

Item	Proceeds of the Entitlement Offer and Placement	Maximum Subscription (\$)	%
1.	Lana Corina Phase 2 Drill Program	1,111,600	51.84
2.	Quelon Phase 1 Drill Program	190,000	8.86
3.	Working capital	631,774	29.46
4.	Expenses of the Offers <sup>1</sup>	210,805	9.83
	<b>Total</b>	<b>2,144,179<sup>2</sup></b>	<b>100</b>

**Notes:**

1. Refer to Section 6.8 for further details relating to the estimated expenses of the Offers.
2. Comprising \$1,121,750 raised pursuant to the Placement and assuming maximum subscription of \$1,022,429 under the Entitlement Offer.

On completion of the Entitlement Offer, the Board believes the Company will have sufficient working capital to achieve its stated objectives. In the event the Entitlement Offer is not fully subscribed, operational objectives are likely to be modified, which may result in delay or substantial changes to the Company's future plans. In this event (and after accounting for associated Offers costs) it is likely that the Company will reduce exploration expenditure accordingly.

In addition, it should be noted that the Company's budgets and forecasts will be subject to modification on an ongoing basis depending on the results achieved from its business activities and operations.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

#### 3.1 Effect of the Offers

The principal effect of the Offers, 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 \$1,933,374 (after deducting the estimated expenses of the Offers) immediately after completion of the Offers;
- (b) increase the number of Shares on issue from 59,641,688 as at the date of this Prospectus to 77,509,846 Shares; and
- (c) increase the number of Options on issue from nil as at the date of this Prospectus to 13,934,079 Options.

### 3.2 Effect on capital structure

The effect of the Offers 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 currently on issue	59,641,688
Shares issued pursuant to the Placement	9,347,917
Shares offered pursuant to the Entitlement Offer	8,520,241
<b>Total Shares on issue after completion of the Offers</b>	<b>77,509,846</b>

#### Options

	Number
Options currently on issue	Nil
Entitlement Options to be issued pursuant to the Entitlement Offer <sup>2</sup>	4,260,121
Advisor Options to be issued under the Advisor Options Offer <sup>3</sup>	5,250,000 <sup>4</sup>
Placement Options to be issued under the Placement Options Offer <sup>5</sup>	4,673,959
<b>Total Options on issue after completion of the Offers</b>	<b>14,184,079</b>

#### Notes:

1. Assuming the Maximum Subscription of 8,520,241 is achieved under the Entitlement Offer.
2. Refer to Section 4.2 for the terms of the Entitlement Options.
3. Refer to Section 4.2 for the terms of the Advisor Options.
4. 5,250,000 Advisor Options, comprising:
  - (a) 250,000 Red Cloud Options to be issued to Red Cloud; and
  - (b) 5,000,000 Lead Manager Options to be issued to Peak.
5. Refer to Section 4.2 for the terms of the Placement Options.

#### Performance Rights

	Number
Performance Rights currently on issue	5,200,000
Performance Rights offered pursuant to the Entitlement Offer	Nil
<b>Total Performance Rights on issue after completion of the Offers</b>	<b>5,200,000</b>

The capital structure on a fully diluted basis as at the date of this Prospectus would be 64,841,688 Shares and on completion of the Offers (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 96,893,925 Shares.

### 3.3 Pro-forma balance sheet

The audited balance sheet as at 30 June 2022 and the unaudited pro-forma balance sheet as at 11 October 2022 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 Offers.

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.

	CPO Audited 30-06-2022	ATM Subscription Raise	Placement @ \$0.12	Entitlement Offer @ \$0.12	PROFORMA BALANCE SHEET
<b>CURRENT ASSETS</b>					
Cash	1,838,929	275,000	1,043,228	890,147	4,047,303
Trade and other receivables	197,813				197,813
<b>TOTAL CURRENT ASSETS</b>	<b>2,036,742</b>	<b>275,000</b>	<b>1,043,228</b>	<b>890,147</b>	<b>4,245,116</b>
<b>NON- CURRENT ASSETS</b>					
Plant and equipment	4,451	-	-	-	4,451
Exploration and evaluation	2,941,038	-	-	-	2,941,038
<b>TOTAL NON- CURRENT ASSETS</b>	<b>2,945,489</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,945,489</b>
<b>TOTAL ASSETS</b>	<b>4,982,231</b>	<b>275,000</b>	<b>1,043,228</b>	<b>890,147</b>	<b>7,190,605</b>



	CPO Audited 30-06-2022	ATM Subscription Raise	Placement @ \$0.12	Entitlement Offer @ \$0.12	PROFORMA BALANCE SHEET
<b>CURRENT LIABILITIES</b>					
Creditors and other payables	249,435	-	-	-	249,435
<b>TOTAL CURRENT LIABILITIES</b>	<b>249,435</b>	-	-	-	<b>249,435</b>
<b>TOTAL LIABILITIES</b>	<b>249,435</b>	-	-	-	<b>249,435</b>
<b>NET ASSETS (LIABILITIES)</b>	<b>4,732,796</b>	<b>275,000</b>	<b>1,043,228</b>	<b>890,147</b>	<b>6,941,170</b>
<b>EQUITY</b>					
Share capital	8,772,903	275,000	1,054,445	297,519	10,399,867
Reserves	113,173			602,852	716,025
Accumulat ed losses	(4,206,789)		(11,218)	(10,224)	(4,228,231)
Non- controlling interest	53,509				53,509
<b>TOTAL EQUITY</b>	<b>4,732,796</b>	<b>275,000</b>	<b>1,043,228</b>	<b>890,147</b>	<b>6,941,170</b>

**Notes:**

The above pro-forma balance sheet includes the following pro forma adjustments for the effect of the Placement and the Entitlement Offer and other material post-balance date events:

1. An increase to Cash and Share capital as a result of utilisation of the Company's At-the-Market Subscription Agreement with Acuity Capital to raise \$275,000 (including costs).
2. An increase to Cash and Share capital as a result of the Placement and the Entitlement Offer of up to \$1,121,750 and \$1,022,429, respectively, to be raised under the Placement and the Entitlement Offer, less total cash costs estimated of approximately \$210,805. Refer to Section 6.8 of this Prospectus for further details of the expenses of the Placement and the Entitlement Offer. Further details of the fees payable to Lead Manager are set out in Section 6.4.
3. An increase to Reserves and decrease of Share Capital of \$602,852 as a result of the issue of Lead Manger Options deemed fair value using the Black-Scholes options pricing model at 11 October 2022. Refer to Section 4.2 of this Prospectus for details of Advisor Options.

4. An increase to Retained loss account of \$21,442, comprising of an increase of Consulting fees being the amount expensed for the Lead Manager Management fees as a result of the Placement and Entitlement Offer of \$11,218 and \$10,224, respectively.

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## **4. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES**

### **4.1 Rights and liabilities attaching to Shares**

The following is a summary of the more significant rights and liabilities attaching to the Shares being offered pursuant to this Prospectus. 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) 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 of the Company.

#### **(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 each Share held, 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 (not credited) 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 may determine. 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 a dividend reinvestment plan on such terms and conditions as the Directors think fit and 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, 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, 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 issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company 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 and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under 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.

(i) **Alteration of constitution**

In accordance with the Corporations Act, 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 of the Options**

(a) **Entitlement**

Each Option entitles the holder to subscribe for one (1) Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.18 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire on the date which is two (2) years from the date of issue (**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**

Within 5 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)(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.

(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 New Option can be exercised.

(l) **Transferability**

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

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## 5. RISK FACTORS

### 5.1 Introduction

The Securities 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 5, 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 5, 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 Securities. This Section 5 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.

### 5.2 Company specific

Risk Category	Risk
<b>Potential for dilution</b>	<p>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 12.5% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).</p> <p>No immediate dilution will occur as a result of the issue of Options under this Prospectus. However subsequent exercise of any or all of the Options will result in dilution. Assuming all Options offered pursuant to this Prospectus are issued and exercised into Shares, Shareholders who do not participate in the Offer, are likely to be diluted by an aggregate of approximately 40.97% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus).</p> <p>It is not possible to predict what the value of the Company, a Share or an Option will be following the completion of the Offer being implemented and the Directors do not make any representation as to such</p>



Risk Category	Risk
	<p>matters.</p> <p>The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.135 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.</p>
<b>Exploration and Operations</b>	<p>The mineral exploitation concessions comprising the Projects are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.</p> <p>There can be no assurance that future exploration of these licences, or any other mineral licences that may be acquired in the future, will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.</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 or adverse weather conditions, unanticipated operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and staff, 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 being able to maintain title to the exploitation concessions comprising the Projects and obtaining all required approvals for their contemplated activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the Projects, a reduction in the cash reserves of the Company and possible relinquishment of one or more of the concessions comprising the Projects.</p>
<b>Title Risk</b>	<p>The Company holds exploitation concessions that are not subject to a renewal process other than the payment of an annual fee. Consequently, the Company could lose title to or its interest in concessions due to administrative error or if insufficient funds are available to meet statutory payments. There are no annual expenditure commitments on the exploitation concessions in Chile. The exploitation concessions are not subject to a specific term and therefore do not carry an expiration date.</p> <p>Government approvals and permits are currently, and may in the future be, required in connection with the Company's operations. To the extent such approvals are required, and not obtained, the Company may be curtailed or prohibited from proceeding with planned</p>

Risk Category	Risk
	exploration or development of its projects.
<b>Project Agreements</b>	<p>The interests in the Company's Projects are contingent upon the Company meeting certain payment obligations and expenditure commitments under the relevant Earn-in Agreements.</p> <p>Until such time as the relevant payments and expenditures are made or incurred, as applicable, the concessions comprising the Las Petacas and Quelon Projects remain under the control of the controlling shareholder of the relevant legal mining company that owns them.</p> <p>Further, the participation rights of the respective shareholders in each legal mining company which holds the relevant concessions for each Project will not be diluted until such time as full payment and expenditure for each stage of the relevant Project have been satisfied.</p> <p>There is a risk therefore that whilst the majority of costs or expenditure in relation to a particular stage of a Project may have been expended, the associated interest in the legal mining company, and therefore the concessions held by it, will not be formally recognised until such time as the full amount is expended. If the full amount is not expended for any reason, for example if the Company does not have the appropriate funds in place or is unable to raise any required funds within the option period, there is a risk that, in the absence of any agreement to the contrary between the relevant parties, any expenditure undertaken on that stage to date may not be recognised.</p>
<b>Joint Venture Risk</b>	<p>The Company currently holds a 66% interest in the Las Petacas mineral concessions from an entity controlled by an investment fund backed by the Chilean Government and private venture capital investors, with the right to earn up to an additional 19% interest from the remaining joint venture partner.</p> <p>At the Quelon Project, the Company has the right to earn up to 85% from its joint venture partner.</p> <p>At the Lana Corina Project, the Company has the right to earn up to 80% from its joint venture partner.</p> <p>The Company is subject to the risk that changes in the status of any of the Company's joint ventures may adversely affect the operations and performance of the Company.</p> <p>Further, where the Company is not the registered owner of the concessions, the Company's ability to achieve its objectives in respect of the concessions is dependent upon it and the registered holder of the concessions complying with their obligations under the relevant earn-in agreements giving rise to the Company's interest, and on the registered holder complying with the terms and</p>

Risk Category	Risk
	<p>conditions of the concessions and any other applicable legislation. Any failure to comply with these obligations may result in the Company losing its interest in those concessions, which may have a material adverse effect on the Company's operations and the performance and value of the Shares.</p> <p>The Company has no current reason to believe that the registered owners of the concessions will not meet and satisfy their respective obligations under the relevant agreements, the concession conditions and other applicable legislation.</p> <p>There is also a risk of financial failure or default under the joint venture arrangements by a participant in any joint venture to which the Company is, or may become, a party. Any withdrawal by a joint venture party or any issues with their ability to perform the obligations due under the joint venture arrangements could have a material adverse impact on the financial position of the Company. There is also the risk of disputes arising with the Company's joint venture partners, the resolution of which could lead to delays in the Company's proposed development activities or financial loss.</p>
<b>Control risk</b>	<p>Mr Geoffrey McNamara, through his related entities, is currently the largest Shareholder of the Company and has a relevant interest in approximately 8.38% of the Shares in the Company. Assuming Mr McNamara takes up his full Entitlement and no other Shareholders accept their entitlements, Mr McNamara's voting power in the Company could be as high as 9.31%.</p> <p>Mr McNamara's significant interest in the capital of the Company means that he is in a position to potentially influence the financial decisions of the Company, and its interests may not align with those of all other Shareholders.</p>
<b>Additional requirements for capital</b>	<p>The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.</p>
<b>Climate Risk</b>	<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>

Risk Category	Risk
	<p>(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</p> <p>(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.</p>
<b>Coronavirus (COVID-19)</b>	<p>The outbreak of the coronavirus disease (<b>COVID-19</b>) 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.</p> <p>The Directors are monitoring the situation closely 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>
<b>Main Operations in Chile</b>	<p>While Chile is considered to be one of South America's most politically stable and prosperous nations, it may nevertheless be subject to social and economic uncertainty. Civil and political unrest and outbreaks of hostilities in Chile could affect the Company's access to its projects and subsequent exploration and development. Adverse changes in government policies or legislation in Chile affecting foreign ownership of mineral interests, taxation, profit repatriation, royalties, land access, labour relations, and mining and exploration</p>

Risk Category	Risk
	<p>activities may affect the operations of the Company.</p> <p>In particular, there is a mining royalty bill (<b>Royalty Bill</b>) under discussion in the National Congress of Chile for the creation of a new tax to mining operations in Chile. The draft Royalty Bill proposes charging a royalty on mining companies exploiting certain minerals in Chile.</p> <p>If the Royalty Bill is passed, it may adversely impact the Company's operations. The Directors will continue to monitor and update the market as necessary.</p>
<b>Earthquake</b>	<p>Chile, including the area in which the Projects are situated, is seismically active and prone to frequent earthquakes and occasional tsunamis. Any such event may result in operational delays to the Company's operations.</p>

### 5.3 Industry specific

Risk Category	Risk
<b>Exploration Costs</b>	<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 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>
<b>Resource and Reserves and Exploration Targets</b>	<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>
<b>Grant of Future Authorisations to Explore and Mine</b>	<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</p>

Risk Category	Risk
	<p>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>
<b>Mine Development</b>	<p>Possible future development of mining operations at the 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 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>If the Company commences production on one of the Projects, its operations may be disrupted by a variety of risks and hazards which are beyond the control of the Company. No assurance can be given that the Company will achieve commercial viability through the development of the Projects.</p> <p>The risks associated with the development of a mine will be considered in full should the Projects reach that stage and will be managed with ongoing consideration of stakeholder interests.</p>
<b>Environmental</b>	<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 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</p>



Risk Category	Risk
	<p>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>
<b>Regulatory Compliance</b>	<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 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 concessions.</p>

#### 5.4 General risks

Risk Category	Risk
<b>Reliance on Key Personnel</b>	The responsibility of overseeing the day-to-day operations and the strategic management of the Company

Risk Category	Risk
	<p>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>
<b>Economic</b>	<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>
<b>Competition Risk</b>	<p>The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.</p>
<b>Market Conditions</b>	<p>Share market conditions may affect the value of the Company's Shares regardless of the Company's operating performance. Share market conditions are affected by many factors including, but not limited to:</p> <ul style="list-style-type: none"> <li>(a) general economic outlook;</li> <li>(b) introduction of tax reform or other new legislation;</li> <li>(c) interest rates and inflation rates;</li> <li>(d) commodity prices;</li> <li>(e) changes in investor sentiment toward particular market sectors;</li> <li>(f) the demand for, and supply of, capital; and</li> <li>(g) terrorism or other hostilities.</li> </ul> <p>The market price of Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the</p>



Risk Category	Risk
	<p>Company or any return on an investment in the Company.</p> <p>Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of exploration companies experience extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies. These factors may materially affect the market price of the shares regardless of the Company's performance.</p>
<b>Commodity Price Volatility and Exchange Rate Risks</b>	<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 base and precious 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>
<b>Government Policy Changes</b>	<p>Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in Chile may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.</p>
<b>Insurance</b>	<p>The Company intends to insure its operations in accordance with industry practice. However, 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.</p> <p>Insurance of all risks associated with mineral exploration and production is not always available and where available the costs can be prohibitive.</p>
<b>Force Majeure</b>	<p>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 or quarantine restrictions.</p>

Risk Category	Risk
<b>Taxation</b>	<p>The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.</p>
<b>Ukraine conflict</b>	<p>The current conflict between Ukraine and Russia (<b>Ukraine Conflict</b>) 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.</p> <p>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.</p>
<b>Litigation Risks</b>	<p>The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, reputation, financial performance and financial position. The Company is not currently engaged in any litigation.</p>

## 5.5 Speculative investment

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.

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## **6. ADDITIONAL INFORMATION**

### **6.1 Litigation**

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

### **6.2 Continuous disclosure obligations**

As set out in the Important Notes Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 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
11 October 2022	Trading Halt
10 October 2022	1.88% Cu and 4.10 g/t Au from Surface Sampling at Quelon

Date	Description of Announcement
30 September 2022	Appendix 4G
30 September 2022	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 [www.culpeominerals.com.au](http://www.culpeominerals.com.au).

### 6.3 Market price of Shares and Options

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares and Options 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	\$ 0.27	5 July 2022
Lowest	\$0.135	13 October 2022
Last	\$0.135	13 October 2022

As the issue of the Options under this prospectus represents the first time the Company will have quoted Options on issue there are no previous closing market sale prices preceding the date of lodgement of this Prospectus that can be disclosed.

### 6.4 Material Contracts

#### 6.4.1 Lead Manager Mandate

The Company has signed a mandate letter to engage Peak to act as lead manager to the Offer (**Lead Manager Mandate**), the material terms and conditions of which are summarised below:

Fees	The Company will pay Peak:
	(a) a management fee of 1% of total funds raised under the Placement and the Entitlement Offer (excluding GST);
	(b) a capital raising fee of 6% on all funds raised under the Placement and Shortfall Offer (excluding funds raised by Red Cloud);
	(c) subject to subject to Shareholder approval to be sought at the Company's Annual General Meeting and the successful completion of the Placement and Entitlement Offer, the Company will issue Peak (or to its nominee(s)) 5,000,000 Lead Manager Options on the terms set out in Section 4.2; and

	(d) expenses, including travel and subsistence, and goods and services purchased on the Company's behalf, are charged at cost. In the event any expense is above \$200, prior written approval is required to be sought from the Company.
<b>Termination Events</b>	In the event that the Lead Manager Mandate is terminated, Peak shall be entitled to its fees up until the engagement termination date.
<b>Exclusivity</b>	This Lead Manager Mandate is not an exclusive appointment, and should the Company undertake future capital raisings, it is free to do so with other advisers.
<b>Term</b>	The term of the Lead Manager Mandate commenced on 30 September 2022 and will end on 31 December 2022, whereby the Company may seek to extend the term of the engagement.

The Lead Manager Mandate otherwise contains provisions considered standard for an agreement of its nature (including indemnities, representations, warranties and confidentiality provisions).

#### 6.4.2 Finder's Agreement

The Company has signed a finder's fee agreement with Red Cloud to act as advisor to the Placement and to assist in finding subscribers for the Placement (**Finder's Agreement**), the material terms and conditions of which are summarised below:

<b>Fees</b>	<p>The Company will pay the following fees to Red Cloud under the Finder's Agreement in relation to the Placement and the Shortfall Offer:</p> <p>(a) an advisory fee of 6% of total funds raised under the Placement (excluding GST) from investors introduced by Red Cloud;</p> <p>(b) subject to Shareholder approval, the Company will issue to Red Cloud (or to its nominee(s)) the number of Red Cloud Options (on the terms set out in Section 4.2) equal to 6% of the aggregate number of Shares sold to investors introduced by Red Cloud (expected to be a maximum of 250,000 Red Cloud Options in total).</p>
<b>Termination</b>	The Finders Agreement can be terminated after the Initial Term (defined below) by either the Company or Red Cloud upon 30 days prior written notice to the other party.
<b>Term</b>	The term of the Finders Agreement commenced on 12 October 2022 and will continue until the earlier of (a) 12 January 2023 and (b) the Closing Date ( <b>Initial Term</b> ).

The Finder's Agreement otherwise contains provisions considered standard for an agreement of its nature (including indemnities, representations, warranties and confidentiality provisions).

## 6.5 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 Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director 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
  - (ii) the Offers.

### **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 0.

### **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 \$500,000 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 as disclosed in the Company's 2022 Annual Report.

Director	FY ending 2022	FY ending 2023
Maxwell Tuesley	488,600 <sup>1</sup>	218,333
Geoffrey McNamara	49,317 <sup>2</sup>	45,000
Paul Schmiede	49,317 <sup>2</sup>	45,000
Zeffron Reeves	49,317 <sup>2</sup>	45,000

**Notes:**

1. Comprising \$270,267 in share-based payments and \$218,333 in cash fees paid.
2. Comprising \$4,317 in share-based payments and \$45,000 in cash fees paid.

## 6.6 Interests of experts and advisers

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

- 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;
- promoter of the Company; or
- 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:

- the formation or promotion of the Company;
- any property acquired or proposed to be acquired by the Company in connection with:
  - its formation or promotion; or
  - the Offers; or
- the Offers,

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

- the formation or promotion of the Company; or
- the Offers.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offers. The Company estimates it will pay Steinepreis Paganin \$20,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$204,647.51 (excluding GST and disbursements) for legal services provided to the Company / not received any other fees for any other services.



RSM Australia Partners has been paid \$28,000 (excluding GST) for auditing the Company's 30 June 2022 balance sheet. During the 24 months preceding lodgement of this Prospectus with the ASIC, RSM Australia Partners has received \$113,427 (excluding GST) in fees from the Company.

Peak will be issued 5,000,000 Lead Manager Options pursuant to the Advisor Options Offer as consideration for services provided in respect of the Entitlement Offer. During the 24 months preceding lodgement of this Prospectus with the ASIC, Peak has not received any fees from the Company for any other services.

Red Cloud will be issued up to 250,000 Red Cloud Options pursuant to the Advisor Options Offer and will be paid a fee of up to \$30,000 as consideration for services provided in respect of the Placement and an additional \$11,500 for advisory services for October 2022. During the 24 months preceding lodgement of this Prospectus with the ASIC, Red Cloud has not received any fees from the Company for any other services.

## **6.7 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.

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

RSM Australia Partners has given its written consent to being named as auditor to the Company in this Prospectus and the inclusion of the 30 June 2022 audited balance sheet of the Company in Section 3.3.

Peak has given its written consent to being named as Lead Manager to the Company in this Prospectus.

Red Cloud has given its written consent to being named in this Prospectus.

## 6.8 Expenses of the offers

In the event that all Entitlements are accepted, the total expenses of the Offers are estimated to be approximately \$210,805 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	15,506
Legal fees	37,000
Lead manager fees	150,093
Miscellaneous	5,000
<b>Total</b>	<b>210,805</b>

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**7. 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.

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**Geoffrey McNamara**  
**Non-Executive Chairman**  
**CULPEO MINERALS LIMITED**

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## 8. GLOSSARY

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

**Advisor Options Offer** means the offer of Lead Manager Options to the Lead Manager described in Section 2.3.

**Application Form** means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

**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 CHES.

**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 Culpeo Minerals Limited (ACN 627 735 531).

**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 whose details appear on the Company's register of Shareholders as at the Record Date and who resides within Australia, New Zealand or Singapore or is permitted to participate in the Offer as contemplated in Section 2.12.

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

**Entitlement and Acceptance Form** means the entitlement and acceptance form either attached to or accompanying this Prospectus.

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

**Exercise Price** means the exercise price of the Options being \$0.18 per Option.

**Ineligible Shareholder** means a Shareholder as at the Record Date whose registered address is not situated in Australia, New Zealand or Singapore and is not permitted to participate in the Offer as contemplated in Section 2.12.

**Lead Manager** or **Peak** means CoPeak Corporate Pty Ltd < The Trustee for Peak Asset Management Unit Trust > ACN 632 277 144, an authorised representative of Dayton Way Securities Pty Ltd (ACN 124 327 064) under its Australian Financial Services Licence No. 382585.

**Lead Manager Option** means an option issued on the terms set out in Section 4.2.

**Offers** means together, the Entitlement Offer, the Placement Options Offer and the Advisor Options Offer.

**Official Quotation** means official quotation on ASX.

**Option** means an option to acquire a Share, issued on the terms set out in Section 4.2.

**Optionholder** means a holder of an Option.

**Placement** has the meaning given in Section 1.3.

**Placement Option** means an option issued on the terms set out in Section 4.2.

**Placement Options Offer** means the offer of Placement Options to the Placement participants described in Section 2.4.

**Prospectus** means this prospectus.

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

**Red Cloud Option** means an option issued on the terms set out in Section 4.2.

**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** means the Securities not applied for under the Offer (if any).

**Shortfall Application Form** means the Shortfall Offer application form either attached to or accompanying this Prospectus.

**Shortfall Offer** means the offer of the Shortfall Securities on the terms and conditions set out in Section 2.9.

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

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