



PEARL GULL IRON

ACN 621 103 535

OFFER DOCUMENT

For a fully underwritten non-renounceable pro-rata entitlement offer of New Shares at an issue price of \$0.02 each, on the basis of one (1) New Share for every two (2) Shares held on the Record Date (**Entitlement Offer**).

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker or other professional adviser without delay.

This Offer Document is not a prospectus. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the New Shares offered by this Offer Document.

The Entitlement Offer opens on 30 December 2022 and closes at 5:00pm (AWST) on 18 January 2023. Valid acceptances must be received before the Entitlement Offer closes.

Please read the instructions in this document and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your Entitlement.

NOT FOR RELEASE INTO THE UNITED STATES OR TO U.S. PERSONS OR IN ANY JURISDICTION WHERE THIS DOCUMENTATION DOES NOT COMPLY WITH THE RELEVANT REGULATIONS

IMPORTANT INFORMATION

This Offer Document is issued pursuant to section 708AA of the *Corporations Act 2001* (Cth) (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84) for the offer of New Shares without disclosure to investors under Part 6D.2 of the Corporations Act. This Offer Document has been prepared by Pearl Gull Iron Limited ACN 621 103 535 and was lodged with ASX on 21 December 2022. ASX takes no responsibility for the contents of this Offer Document.

No party other than the Company has authorised or caused the issue of this Offer Document, or takes any responsibility for, or make, any statements, representations or undertakings in this Offer Document.

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

Status of Offer Document

The Offers are being made pursuant to provisions of the Corporations Act which allows rights issues to be offered without a prospectus.

Neither this Offer Document nor the Entitlement and Acceptance Form are required to be lodged or registered with ASIC. This Offer Document is not a prospectus under the Corporations Act and no prospectus for the Offers will be prepared. This document does not contain, or purport to contain, all of the information that a prospective investor may require in evaluating an investment in the Company.

This Offer Document 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, including the announcements made by the Company on the ASX platform. All announcements made by the Company are available at <https://www.pearlgulliron.com.au/> and www.asx.com.au.

This Offer Document does not contain financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. After reading the Offer Document (in particular, the "Risk Factors" referred to in Section 3), if you have any questions about the Offers, you should contact your stockbroker, accountant or other independent professional adviser.

Eligibility

The Acceptance Form accompanying this Offer Document is important. Applications for New Shares under the Offers can only be made by BPAY® or EFT payment in accordance with the instructions provided in the Acceptance Form, as sent with this Offer Document. Accordingly, there is no need to return an Acceptance Form. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement. Please refer to the instructions in Section 2 regarding the acceptance of your Entitlement and completion of the Entitlement and Acceptance Form.

By making payment by BPAY® or EFT, you acknowledge that you have received and read this Offer Document and you have acted in accordance with the terms of the Offers detailed in this Offer Document.

No updates to Offer Document

The information in this Offer Document may not be complete and may be changed, modified or amended at any time by the Company, and is not intended to, and does not, constitute representations and warranties of the Company. Neither the Company, nor any other advisor of the Company intends to update this Offer Document or accepts any obligation to provide the recipient with access to information or to correct any additional information or to correct any inaccuracies that may become apparent in the Offer Document or in any other information that may be made available concerning the Company. Potential investors should conduct their own due diligence investigations regarding the Company.

Ineligible Shareholders

Unless the Directors determine otherwise, the Offers are not being extended and any New Shares will not be issued, to Shareholders with a registered address which is outside Australia and New Zealand. It is not practicable for the Company to comply with the securities laws of overseas jurisdictions (other than those mentioned above) having regard to the number of overseas Shareholders, the number and value of New Shares those Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

No action has been taken to permit the offer of New Shares under this Offer Document in any jurisdiction other than Australia and New Zealand. The distribution of this Offer Document in jurisdictions outside Australia and New Zealand may be restricted by law and therefore persons outside of Australia and New Zealand and into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. Applications from Shareholders with a registered address in a jurisdiction other than Australia and New Zealand will not be accepted.

This Offer Document does not constitute an offer of New Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Offer Document.

Notice to nominees and custodians

Shareholders with an address on the Share register in Australia and New Zealand holding Shares on behalf of persons who are resident in other jurisdictions are responsible for ensuring that taking up any New Shares does not breach regulations in the relevant jurisdiction. Payment by BPAY® or EFT in accordance with the instructions provided in the Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

The Company is not required to determine whether or not any registered holder is acting as a nominee or custodian or the identity or residence of any beneficial owners of Shares. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws. The Company is not able to advise on foreign laws. Eligible Shareholders who are nominees, trustees or custodians are therefore advised to seek independent advice as to how to proceed.

Speculative investment

An investment in New Shares should be considered highly speculative. Refer to Section 3 for details of the key risks applicable to an investment in the Company.

Persons wishing to apply for New Shares should read this Offer Document in its entirety.

This Offer Document does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, their individual risk profile for speculative investments, investment objectives and individual financial circumstances. If persons considering applying for New Shares have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser.

There is no guarantee that New Shares will make a return on the capital invested, that dividends will be paid on the New Shares or that there will be an increase in the value of the New Shares in the future.

Privacy

The Company collects information about each Applicant provided on an Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By making payment by BPAY® or EFT, each Applicant agrees that the Company may use the information provided by an Applicant on the Acceptance Form for the purposes detailed in this Offer Document and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not follow the instructions provided in the Acceptance Form, the Company may not be able to accept or process your Application. An Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

Website

No document or information included in the Company's website is incorporated by reference into this Offer Document.

Currency

All financial amounts contained in this Offer Document are expressed as Australian dollars unless otherwise stated.

Rounding

Any discrepancies between totals and sums and components in tables contained in this Offer Document are due to rounding.

Glossary

Defined terms and abbreviations used in this Offer Document are detailed in the glossary of terms in Section 5.

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1. Details of the Entitlement Offer

1.1 The Capital Raising

On 20 December 2022, the Company announced that it was undertaking a fully underwritten capital raising to raise approximately \$2 million, to be structured as follows:

- (a) a non-renounceable pro-rata entitlement offer to Eligible Shareholders on the basis of one (1) New Share for every two (2) Shares held on the Record Date an issue price of \$0.02 per New Share to raise approximately \$1 million (before costs) (**Entitlement Offer**); and
- (b) a two tranche placement of 50 million Shares (**Placement Shares**) to sophisticated and professional investors at an issue price of \$0.02 per Share to raise \$1 million (before costs) (**Placement**).

The proceeds from the Entitlement Offer and the Placement will be used by the Company to progress the Company's existing assets, assess new opportunities and for general working capital as outlined in Section 1.5.

1.2 The Entitlement Offer

The Company is seeking to raise approximately \$1 million (before costs) through the issue of a fully underwritten non-renounceable pro-rata entitlement offer to Eligible Shareholders on the basis of one (1) New Share for every two (2) Shares held on the Record Date an issue price of \$0.02 per New Share.

At the Record Date, the Company expects to have on issue approximately 103.03 million Shares and approximately 63.25 million Options. Approximately 51.51 million New Shares will be issued under the Entitlement Offer (assuming no Options are exercised before the Record Date). If all of the Options are exercised before the Record Date, a total of 83.14 million New Shares will be issued under the Entitlement Offer.

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of a New Share, such fraction will be rounded down to the nearest whole New Share.

All of the New Shares will rank equally with the Shares on issue at the date of this Offer Document. Refer to Section 4 for a summary of the rights attaching to New Shares.

This Offer Document is also for the offer of the Shortfall Shares. Refer to Section 1.27 for further information and details of the Shortfall Offer.

1.3 The Placement

The Company is seeking to raise \$1 million (before costs) under a two tranche placement of 50 million Shares to sophisticated and professional investors at an issue price of \$0.02 per Share. The Placement comprises:

- (a) a placement of 15,450,000 Shares to be issued under the Company's existing Listing Rule 7.1 placement capacity (**Tranche 1 Placement Shares**); and
- (b) a placement of 34,550,000 Shares to be issued subject to Shareholder approval (**Tranche 2 Placement Shares**).

Settlement of the Tranche 1 Placement Shares is expected to occur in early January 2023 and settlement of the Tranche 2 Placement Shares is expected to occur, subject to Shareholder approval, in early February 2023. A notice of meeting to convene a general meeting of Shareholders to consider, amongst other things, the approval of the issue of the Tranche 2 Placement Shares will be despatched to Shareholders shortly.

Investors under the Placement will not participate in the Entitlement Offer, unless they are existing Shareholders at the Record Date.

1.4 Proposed Timetable

Event	Date
Announce Placement and Entitlement Offer	Tuesday, 20 December 2022
Lodge Appendix 3B with ASX	Tuesday, 20 December 2022
Shares quoted on an "Ex" basis	Thursday, 22 December 2022
Record Date for determining Entitlements (5:00pm AWST)	Friday, 23 December 2022
Offer Document and Application Forms despatched to Eligible Shareholders	Friday, 30 December 2022
Opening Date of Entitlement Offer	Friday, 30 December 2022
Settlement Date for the Tranche 1 Placement Shares	Thursday, 5 January 2023
Despatch notice of meeting	Early January 2023
Last day to extend the Closing Date*	Friday, 13 January 2023
Closing Date of Entitlement Offer (5:00pm AWST)	Wednesday, 18 January 2023
Announce results of Entitlement Offer	Monday, 23 January 2023
Anticipated date for issue of the New Shares	Wednesday, 25 January 2023
Anticipated date for despatch of holding statements	Thursday, 26 January 2023
Shareholder meeting	Early February 2023
Settlement Date for the Tranche 2 Placement Shares	Early February 2023

This timetable is indicative only and subject to change.

* Subject to the Corporations Act and Listing Rules and other applicable laws and regulations, the Directors reserve the right to extend the Closing Date for the Offers. Any extension will have a consequential effect on the anticipated date of issue for the New Shares.

1.5 Use of funds

The Entitlement Offer and the Placement will raise approximately \$2 million (before costs), assuming no Options are exercised before the Record Date.

Sources of funds	Amount (A\$)
Cash at bank – 30 November 2022	447,000
Proceeds from the Entitlement Offer and the Placement	2,030,000
Total funds raised from the Entitlement Offer and the Placement	2,477,000

The funds raised from the Entitlement Offer and the Placement are proposed to be applied as follows:

Uses of funds	Amount (A\$)
Cockatoo Island – exploration and evaluation	300,000
Cockatoo Island – progressive rehabilitation	300,000

Corporate and administration	600,000
Investigating new opportunities	500,000
Capital raising fees	120,000
Working capital	657,000
Total	2,477,000

Actual expenditure may differ significantly from the above estimates due to a number of factors including market conditions, the development of new opportunities and other factors (including the risk factors outlined in Section 3).

1.6 Capital structure on completion of the Entitlement Offer and the Placement

	Number of Shares	Number of Options
Balance at the date of this Offer Document	103,027,860 ¹	63,247,855 ²
To be issued under the Placement ³	50,000,000	Nil
To be issued under the Entitlement Offer ⁴	51,513,930	Nil
To be issued to the Lead Manager / Underwriter	Nil	20,000,000 ⁵
Balance after the Offers	204,541,790	83,247,855

Notes:

1. Comprising:
 - a. 54,902,308 Shares; and
 - b. 48,125,552 Shares which are subject to escrow until 20 September 2023.
2. Comprising:
 - a. 4,425,550 unlisted options exercisable at \$0.30, expiring on or before 13 September 2024 and subject to escrow until 20 September 2023;
 - b. 6,469,998 unlisted incentive options with a nil exercise price subject to vesting conditions, expiring on or before 1 June 2026 and subject to escrow until 20 September 2023;
 - c. 32,352,307 unlisted options exercisable at \$0.30, expiring on or before 13 September 2024; and
 - d. 20,000,000 unlisted options exercisable at \$0.30, expiring on 13 September 2024.
3. This assumes that Shareholders will approve the issue of the Tranche 2 Placement Shares.
4. The maximum number of New Shares to be issued under the Entitlement Offer. This assumes that no Options are exercised before the Record Date.
5. Subject to Shareholder approval, the Company will issue 2,000,000 unlisted options with an issue price of \$0.0001 per option, exercisable at \$0.05 per option, expiring three (3) years from the date of issue to the Lead Manager and 18,000,000 unlisted options with an issue price of \$0.0001 per option, exercisable at \$0.05 per option, expiring three (3) years from the date of issue to the Underwriter (and/or its nominees).

1.7 Entitlements and acceptance

The Entitlement of Eligible Shareholders to participate in the Entitlement Offer is determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance Form accompanying this Offer Document.

A BPAY® or EFT payment in accordance with the instructions provided in the Entitlement and Acceptance Form to the Company creates a legally binding contract between the Applicant and the Company for the number of New Shares accepted by the Company.

The Entitlement and Acceptance Form does not need to be signed to be a binding acceptance of New Shares.

If the BPAY® or EFT payment is not completed in accordance with the instructions provided in the Entitlement and Acceptance Form, the Company may not be able to process or accept your Application for New Shares and any Application Monies received in connection with your Application will be returned to you (without interest).

1.8 Substantial holders

At the date of this Offer Document, the Company has the following substantial holders (based on the substantial holder notices that have been given to the Company and released to ASX):

Holder	Number of Shares	Voting Power
Cockatoo Iron NL	43,250,001	41.98%

Cockatoo Iron NL has advised the Company that it will not take up its Entitlement under the Entitlement Offer. Cockatoo Iron NL's voting power in the Company will be diluted from 41.98% to 21.14% as a result of the Placement and the Offers (assuming Shareholders approve the proposed issue of Tranche 2 Placement Shares).

1.9 Effect on control

The potential effect that the Entitlement Offer and the Placement will have on the control of the Company and the consequences of that effect will depend on a number of factors, including the extent to which Eligible Shareholders take up their Entitlements under the Entitlement Offer. Below is a description of the potential effect the Entitlement Offer and the Placement will have on the control of the Company:

- (a) if all Eligible Shareholders take up their Entitlements for New Shares under the Entitlement Offer, the ownership interest (and voting power) in the Company of each Eligible Shareholder will not change as a result of the New Shares issued under the Entitlement Offer. However, the Company is also undertaking the Placement and the Placement Shares issued under the Placement will represent approximately 24% of the Company's issued capital following completion of the Entitlement Offer and the Placement (assuming Shareholders approve the proposed issue of Tranche 2 Placement Shares). Accordingly, existing Shareholders of the Company will be diluted as a result of the Placement;
- (b) to the extent that any Eligible Shareholder chooses to not take up their full Entitlement to New Shares under the Entitlement Offer, that Eligible Shareholder's percentage holding in the Company will be diluted by the New Shares issued under the Entitlement Offer and the Placement Shares issued under the Placement;
- (c) if no Eligible Shareholders take up their full Entitlement to New Shares under the Entitlement Offer and the Underwriter is unable to place any Shortfall Shares under the Shortfall Offer (which the Directors consider unlikely), the maximum theoretical increase in voting power of the Underwriter will be approximately 31.57% following completion of the Entitlement Offer and the Placement (assuming Shareholders approve the issue of the Tranche 2 Placement Shares and the Placement Shares are placed in accordance with the firm commitments received by the Underwriter); and
- (d) the Underwriter will ensure that no person will be issued Shares if such issue will result in their voting power in the Company increasing from 20% or below to more than 20% or from a starting point above 20% to below 90%, unless an exception to the restrictions contained in section 606 of the Corporations Act applies.

The impact of control of the Company as a result of the Offers will ultimately be affected by the level of Applications under the Offers. The final percentage interests held by Shareholders of the Company is dependent on the extent to which other Eligible Shareholders take up their Entitlement and whether, and/or the amount of, any Shortfall Shares or Placement Shares are issued.

No Shortfall Shares will be issued to Eligible Shareholders.

Shareholders should note that if they do not participate in the Entitlement Offer, their holdings are likely to be diluted by approximately 50% as a result of the Entitlement Offer and the Placement (as compared to their holdings and number of Shares on issue at the date of this Offer Document). Examples of how the dilution may impact Shareholders are detailed in the table below:

Holder	Shareholding at Record Date	% at Record Date	Entitlements under the Entitlement Offer	Shareholdings if the Entitlement Offer not taken up	% post Entitlement Offer and Placement ⁽¹⁾
Example Shareholder 1	2,000,000	1.94%	1,000,000	2,000,000	0.97%
Example Shareholder 2	1,000,000	0.97%	500,000	1,000,000	0.49%
Example Shareholder 3	500,000	0.49%	250,000	500,000	0.24%
Example Shareholder 4	250,000	0.24%	125,000	250,000	0.12%
Example Shareholder 5	100,000	0.10%	50,000	100,000	0.05%

Note:

1. The dilutionary effect shown in the table is the maximum percentage on the assumption that any Entitlements not accepted are placed under the Shortfall Offer and all Placement Shares are issued. If a Shareholder subscribes for all or some of their Entitlement or all or some of the Shortfall or Placement Shares are not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

The information in this Section 1.9 is the Company's estimates only, based on the information available to it. Actual outcomes may vary.

1.10 Directors' interests and participation

The relevant interest of each Director in the securities of the Company at the date of this Offer Document, together with their respective Entitlements, is detailed in the table below:

Director	Shares Held	Options Held	Entitlement (Number of New Shares) ⁽¹⁾
Russell Clark	316,667 ²	633,333 ³	158,333
Jonathan Fisher	1,106,667 ²	2,213,333 ³	553,333
Alex Passmore	1,251,361 ²	2,358,027 ⁴	625,680

Notes:

1. Assumes no Options are exercised prior to the Record Date.
2. Subject to escrow until 20 September 2023.
3. Unlisted incentive options with a nil exercise price subject to vesting conditions, expiring on or before 1 June 2026 and subject to escrow until 20 September 2023.
4. 2,213,333 unlisted incentive options with a nil exercise price subject to vesting conditions, expiring on or before 1 June 2026 and 144,694 unlisted options exercisable at \$0.30, expiring on or before 13 September 2024 and subject to escrow until 20 September 2023.

At the date of this Offer Document, Mr Passmore intends to take up his full Entitlement.

1.11 Minimum subscription

There is no minimum subscription for the Entitlement Offer.

1.12 Underwriting

The Entitlement Offer is fully underwritten by the Underwriter on the terms detailed in Section 1.28.

1.13 Opening and closing dates

The Entitlement Offer opens on the Opening Date, being Friday, 30 December 2022. Payment under the Entitlement Offer must be received by the Company by 5:00pm (AWST) on the Closing Date, being Wednesday, 18 January 2023, or such other date as the Directors in their absolute discretion shall determine, subject to the Listing Rules.

It is the responsibility of all Eligible Shareholders to ensure that their BPAY® or EFT payments are received by the Company on or before the Closing Date.

1.14 Issue and despatch

The dates for issue of New Shares offered by this Offer Document and despatch of holding statements is expected to occur on the dates specified in the timetable detailed in Section 1.4.

It is the responsibility of Applicants to determine their allocation prior to trading in the New Shares. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

1.15 Application Monies held on trust

All Application Monies will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Offer Document until the New Shares are issued. All Application Monies will be returned (without interest) if the New Shares are not issued.

1.16 ASX quotation

Application will be made to the ASX for the official quotation of the New Shares on ASX. If the ASX does not grant quotation of the New Shares within three (3) months after the date of this Offer Document (or such period as ASX allows), no New Shares will be issued and the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to the Offers.

ASX takes no responsibility for the contents of this Offer Document. The fact that ASX may grant quotation of the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares.

1.17 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw an application once it has been accepted.

1.18 Rights and liabilities

The New Shares offered under this Offer Document will rank equally in respect of dividends and have the same rights in all other respects (e.g. voting, bonus issues) as existing Shares.

A summary of the rights and liabilities attaching to Shares are detailed in Section 4.

1.19 Withdrawal

The Directors may at any time decide to withdraw this Offer Document and the Offers, in which case, the Company will return all Application Monies (without interest) in accordance with the Corporations Act.

1.20 CHES

The Company participates in the Clearing House Electronic Subregister System, known as CHES. ASX Settlement Pty Ltd (a wholly owned subsidiary of ASX) operates CHES in accordance with the Listing Rules and ASXS Operating Rules.

Under CHES in Australia, Applicants will not receive a certificate but will receive a statement of their holding of New Shares.

If you are registered on the Issuer Sponsored subregister, your statement will be despatched by Automic Pty Ltd and will contain the number of New Shares issued to you under this Offer Document and your security holder reference number.

A CHES statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their holding changes. Shareholders may request

a statement at any other time. However, there may be a charge associated with the provision of this service.

1.21 Eligible Shareholders

This Offer Document contains an offer of New Shares to Eligible Shareholders who are persons:

- registered as a holder of Shares at the Record Date, being 5:00pm (AWST) on 23 December 2022;
- having a registered address, on the Company's share register, in Australia or New Zealand;
- not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds Shares for the account or benefit of such person in the United States); and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus or disclosure document to be lodged or registered,

are eligible to participate in the Entitlement Offer (**Eligible Shareholders**).

If you are a Shareholder who does not satisfy each of the criteria listed above, you are an "Ineligible Shareholder" (refer to Section 1.22). Where the Offer Document has been despatched to Ineligible Shareholders, the Offer Document is provided for information purposes only. The Company reserves the right to determine whether a Shareholder is an Eligible Shareholder or an Ineligible Shareholder.

1.22 Ineligible Shareholders

Unless the Directors determine otherwise, no Offer will be made to Shareholders with a registered address outside Australia or New Zealand (**Ineligible Shareholders**).

The Company is of the view that it is unreasonable to make the Offers to Shareholders outside Australia or New Zealand due to a small number of such Shareholders and the number and value of New Shares these Shareholders would be offered, the cost of complying with applicable regulations in jurisdictions outside Australia or New Zealand and the administrative burden that will place on the Company in making the Offers available to Shareholders outside Australia or New Zealand.

This Offer Document and accompanying Entitlement and Acceptance Form do not, nor are they intended to, constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an Offer.

1.23 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Document. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders.

Shareholders should consult their professional tax adviser in connection with subscribing for New Shares under this Offer Document.

1.24 Risk factors

An investment in New Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are described in Section 3.

1.25 Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX

and, as such, the Company is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules.

Specifically, the Company is required to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the securities markets conducted by the ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price of value of its securities.

This Offer Document 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 information that would be included in a disclosure document or which investors ought to have regard to in deciding whether to subscribe for New Shares under the Offers. 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.

All announcements made by the Company are available from its website <https://www.pearlgulliron.com.au/> or the ASX website www.asx.com.au.

Additionally, the Company is required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a directors' statement and report, and an audit report or review. These reports are released to ASX and published on the Company's and ASX websites.

This Offer Document (including the Entitlement and Acceptance Form) and the contracts that arise from the acceptance of the Applications are governed by the laws applicable in Western Australia and each applicant submits to the exclusive jurisdiction of the courts of Western Australia.

1.26 Cleansing notice

The Company has lodged with ASX a notice in accordance with section 708AA of the Corporations Act. This notice may be reviewed on the websites of the Company and ASX.

1.27 Shortfall Offer

Any New Shares under the Entitlement Offer that are not applied for will form the Shortfall Shares.

Under this Offer Document, the Company proposes to issue the Shortfall Shares at the same price of \$0.02 per New Share as that offered under the Entitlement Offer. The Shortfall Shares will have the same rights as the New Shares as detailed in Section 4.

Shortfall Shares will be allocated to the Underwriter in accordance with the Underwriting Agreement. Accordingly, please do not apply for Shortfall Shares unless instructed to do so by the Underwriter or the Directors.

The allocation of Shortfall Shares will be subject to the allocation not resulting in any person or the Underwriter's voting power in the Company increasing above 20% in breach of section 606 of the Corporations Act.

In accordance with the Listing Rules, the Shortfall Shares allocated pursuant to the allocation policy detailed above will be issued by the Company to the Underwriter within 15 Business Days of the Closing Date.

If there remains any Shortfall Shares due to a default under, or termination of, the Underwriting Agreement, the Directors reserve the right, subject to any restrictions imposed by the Corporations Act and Listing Rules, to issue the unallocated Shortfall Shares within three months after the Closing Date at their sole discretion.

1.28 Underwriting

Malekula Projects Pty Ltd has been appointed as the Underwriter to fully underwrite the Entitlement Offer and the Placement. An underwriting agreement has been agreed between the Underwriter and the Company (**Underwriting Agreement**).

The material terms of the Underwriting Agreement are as follows:

- (a) The Company will pay a 5.0% capital raising fee to the Underwriter (and/or its nominee) on the total amount raised under the Entitlement Offer and the Placement.
- (b) The Underwriter may terminate the Underwriting Agreement if one of the following termination events occurs (**Termination Events**):
 - (i) (**withdrawal**) the Company withdraws the Entitlement Offer or the Placement or indicates that it does not intend to or is unable to proceed with the Entitlement Offer or the Placement or any part of it;
 - (ii) (**force majeure**) there is an event or occurrence, including any statute, order, rule, regulation, directive or request of any government agency which makes it illegal for the Underwriter to satisfy an obligation under the Underwriting Agreement, or to market, promote, underwrite or settle the Entitlement Offer or the Placement;
 - (iii) ***breach** the Company is in breach of any terms and conditions of the Underwriting Agreement; or
 - (iv) ***representations** any representation or warranty given by the Company is or becomes incorrect, untrue or misleading.
- (c) The Underwriter may not exercise its rights for those events marked with an "*" unless, in the actual reasonable opinion of the Underwriter reached in good faith, the occurrence of a Termination Event:
 - (i) has or is likely to have, or two or more Termination Events together have or are likely to have, a material adverse effect on the success or settlement of the Entitlement Offer or the Placement, the value of the Shares or the willingness of investors to subscribe for Shares under the Entitlement Offer or the Placement;
 - (ii) has or is likely to have, or two or more Termination Events together have or are likely to have, a material adverse effect on the business, financial position or prospects of the Company; or
 - (iii) leads, or is likely to lead:
 - (A) to a contravention by the Underwriter of, or the Underwriter being involved in a contravention of, the Corporations Act or any other applicable law; or
 - (B) to a liability for the Underwriter under the Corporations Act or any other applicable law.
- (d) The Underwriting Agreement also contains covenants, warranties, representations and other terms usual for an agreement of this nature.

The Company will also issue, subject to Shareholder approval, 18,000,000 unlisted options (at an issue price of \$0.0001 per option, exercisable at \$0.05 per option and expiring three (3) years from the date of issue) to the Underwriter (and/or its nominees).

1.29 Lead Manager

The Company has entered into a mandate letter with Golden Triangle Corporate Pty Ltd to act as lead manager (**Lead Manager**) to the Entitlement Offer and the Placement (**Mandate**).

Under the Mandate, the Company has agreed to pay a 1.0% management fee to the Lead Manager on the total amount raised under the Entitlement Offer and the Placement. The Company will also issue, subject to Shareholder approval, 2,000,000 unlisted options (at an issue price of \$0.0001 per option, exercisable at \$0.05 per option and expiring three (3) years from the date of issue) to the Lead Manager.

1.30 Enquiries concerning Offer Document

Any questions in relation to this Offer Document should be directed to the Company Secretary by telephone on +61 (08) 6383 7988.

2. Action Required by Shareholders

2.1 What Eligible Shareholders may do

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

- (a) accept ALL of your Entitlement under the Entitlement Offer (refer to Section 2.2);
- (b) accept PART of your Entitlement and allow the balance to lapse (refer to Section 2.3); or
- (c) not take up your Entitlement (refer to Section 2.4).

2.2 Accept ALL of your Entitlement under the Entitlement Offer

If you wish to accept all of your Entitlement to New Shares, you must make a payment of the number of New Shares you are entitled to (as shown on your personalised Entitlement and Acceptance Form) multiplied by the issue price of \$0.02 per New Share by BPAY® or EFT in accordance with the instructions detailed on the Entitlement and Acceptance Form so that the funds are received no later than 5:00pm (AWST) on Wednesday, 18 January 2023.

Full details regarding these payment methods are detailed in Section 2.6.

2.3 Accept PART of your Entitlement and allow the balance to lapse

If you wish to only take up part of your Entitlement, you must make a payment of the number of New Shares of your Entitlement you wish to take up multiplied by the issue price of \$0.02 per Share by BPAY® or EFT in accordance with the instructions on the Entitlement and Acceptance Form so that the funds are received no later than 5:00pm (AWST) on Wednesday, 18 January 2023.

Full details regarding these payment methods are detailed in Section 2.6.

2.4 Not take up your Entitlement

Entitlements are non-renounceable and cannot be traded on ASX or any other exchange, nor can they be privately transferred. If you do not take up your Entitlement by 5:00pm (AWST) on Wednesday, 18 January 2023, your Entitlements will lapse. The New Shares not subscribed of will form part of the Shortfall. Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up. If you do not wish to accept any of your Entitlement under the Entitlement Offer, you are not obliged to do anything. You will receive no benefit or New Shares and your Entitlement under the Entitlement Offer will become Shortfall Shares.

The number of Shares you hold and the rights attached to those Shares will not be affected should you choose not to accept any of your Entitlement, however your percentage holding in the Company will be diluted.

2.5 Ineligible Shareholders

If you are an Ineligible Shareholder, you may not accept any of, or do anything in relation to, your Entitlement. Refer to Section 1.22 for treatment of Ineligible Shareholders.

2.6 Payment

The offer price of New Shares under the Offers is \$0.02 per New Share.

For Eligible Shareholders participating in the Entitlement Offer, Application Monies must be received by the Company by no later than 5:00pm (AWST) on Wednesday, 18 January 2023.

As noted above, you must pay by either BPAY® or EFT.

The Company shall not be responsible for any or delay in the receipt of the BPAY® or EFT payment.

Payment by BPAY®

Entitlements may be accepted electronically using BPAY® in accordance with the instructions detailed in your Entitlement and Acceptance Form. You are not required to return the Entitlement and Acceptance Form. You can simply make payment for the total number of New Shares accepted by using the Biller Code and the personalised Reference Number detailed in your Entitlement and Acceptance Form. You must ensure that payment by BPAY® is received no later than 5:00pm (AWST) on Wednesday, 18 January 2023.

You should be aware that your own financial institution may impose earlier cut-off times with regards to electronic payments and you should therefore take this into consideration when making payment. You can only make payment by BPAY® if you are the holder of an account with an Australian branch of a financial institution that supports BPAY® transactions.

Payment by EFT

To pay by EFT, you must follow the instructions on the Entitlement and Acceptance Form. You will be deemed to have accepted all or part of your Entitlement (as applicable) upon receipt of the EFT payment by the Company.

If paying via EFT, Eligible Shareholders should be aware that their own financial institution may implement earlier cut off times with regard to electronic payment and it is the responsibility of Eligible Shareholders to ensure that funds are submitted through EFT by no later than 5.00pm (AWST) on Wednesday, 18 January 2023. If you elect to pay via EFT, you must follow the instructions for EFT detailed in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

2.7 Actions by Applicants

By making a payment by BPAY® or EFT payment in accordance with the instructions detailed in your personalised Entitlement and Acceptance Form, in addition to the representations detailed elsewhere in this Offer Document and the Entitlement and Acceptance Form, you:

- (a) if participating in the Entitlement Offer, represent to the Company that you are an Eligible Shareholder;
- (b) acknowledge that you have received a copy of this Offer Document and an accompanying Acceptance Form, and read them both in their entirety;
- (c) agree to be bound by the terms of the Offers, the provisions of this Offer Document and the Constitution;
- (d) authorise the Company to register you as the holder(s) of the New Shares allotted to you;
- (e) declare that all details and statements in the Acceptance Form are complete and accurate;
- (f) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Acceptance Form;
- (g) acknowledge that once the Company receives your payment of Application Monies by BPAY® or EFT payment, you may not withdraw your applications or funds except as required by law;
- (h) agree to accept and be issued up to the number of New Shares specified in the Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY® or EFT, at the issue price of \$0.02 per New Share;

- (i) authorise the Company and its respective officers or agents to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details detailed in the Acceptance Form;
- (j) if participating in the Entitlement Offer, declare that you were the registered holder at 5:00pm (AWST) on the Record Date of the Shares indicated on your personalised Entitlement and Acceptance Form as being held by you at 5:00pm (AWST) on the Record Date;
- (k) acknowledge the statement of risks in Section 3 and that an investment in the Company is subject to risk;
- (l) represent and warrant that the law of any place does not prohibit you from being given this Offer Document and the Acceptance Form, nor does it prohibit you from accepting New Shares and that if you participate in the Entitlement Offer, that you are eligible to do so; and
- (m) represent and warrant that you are not in the United States and you are not acting for the account or benefit of a person in the United States.

2.8 Brokerage

No brokerage or stamp duty is payable by Eligible Shareholders who accept their Entitlement.

2.9 Enquiries concerning your Entitlement

If you have any questions in relation to your Entitlement under the Entitlement Offer, please contact the Company Secretary by telephone on +61 (08) 6383 7988.

3. Risk Factors

The New Shares offered under this Offer Document are considered speculative.

The Directors strongly recommend Eligible Shareholders examine the contents of this Offer Document and consult their professional advisers before deciding whether to apply for the New Shares pursuant to the Entitlement Offer. In addition, Eligible Shareholders should be aware there are risks associated with investment in the Company. There are certain general risks and certain specific risks which relate directly to the Company's business and are largely beyond the control of the Company and its Directors because of the nature of the business of the Company.

The summary of risk factors described below ought not to be taken as exhaustive of the risks faced by the Company or by Eligible Shareholders. The risk factors described below, and others not specifically referred to below, may in the future materially affect the financial performance of the Company and the value of the New Shares offered under this Offer Document. The New Shares to be issued pursuant to this Offer Document carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Shares.

3.1 Risks specific to the Company, the Entitlement Offer and the Shortfall Offer

(a) Rehabilitation and mine closure

In relation to the Project, the Company is aware that:

- (i) it is required to undertake certain rehabilitation work on the tenements due to the prior use of those tenements by third parties who were assigned the rights to use the tenements, the liabilities for such use having been assumed by companies which are now insolvent; and
- (ii) the Company will be required to fund the cost of any mine closure on M 04/235-I.

The estimated total liability for this work is approximately \$7.0 million of which approximately \$0.7 million is a current liability, as per the Annual Report for FY22. The Company considers it is arguable that a portion of this rehabilitation liability may be the responsibility of the third party that under the Mining Act be granted title to an area on which certain infrastructure and inoperable plant and equipment which may be owned by that party is located.

The rehabilitation costs accrued in the accounts are an estimated cost only and various factors may influence the actual cost. The Company's exploration activities on the tenements will increase the environmental rehabilitation cost although to the extent the Company has equipment on M 04/235-I that is idle during an exploration program it intends using that equipment to undertake progressive rehabilitation.

The Company proposes to undertake further investigations (including surveys) in due course to both refine the mine closure cost estimate and confirm the Company's legal liability to incur all of the provisioned rehabilitation costs.

(b) **Contaminated site**

Part of the land comprised in the tenements is classified as 'Contaminated – remediation required' under the *Contaminated Sites Act 2003 (WA) (CS Act)* – and land use is restricted to commercial/industrial land use (which would include mining activities).

The Western Australian Department of Water and Environment Regulation (**DWER**) made the classification of 'Contaminated – remediation required' in response to contamination assessments between 2005 and 2013 which identified contamination in a number of different locations arising from historical iron ore mining (and associated activities).

If the Company is responsible for contamination (including as a result of exploration activities disturbing existing contamination) within the tenements it will be primarily liable under the CS Act to remediate the contamination. The Company may also be exposed to liability under other heads of risk (such as under work, health and safety legislation and end of life rehabilitation obligations) to remediate contamination caused by third parties.

Based on searches conducted by the Company, a site management plan (including remediation measures) has been developed for the site and will be implemented as part of mine closure activities. However, if any contamination is determined to pose an immediate risk to human health or the environment it must be addressed within a reasonable timeframe.

The Company has made provision for the estimated costs of any remediation liability arising from proposed mining activities within the tenements totalling \$7.0 million.

(c) **Access to infrastructure**

Due to the remote location of Cockatoo Island and the Project, the potential exploitation of any resources will be dependent upon the Company having access to suitable infrastructure on Cockatoo Island. Access to infrastructure may also be impacted by the fact that Cockatoo Island is located in a cyclone prone area. There is no guarantee that appropriate and affordable infrastructure for the transportation of resources (such as personnel, equipment and ore) will be available. The Company is of the view it can transport plant and equipment to and from its tenure via a barge which may unload within the area of the tenements or elsewhere on Cockatoo Island. Further, the Company is of the view it can utilise a transshipment solution, loading ore within the area of the tenements for transshipment to a larger ocean going vessel moored in deeper water. Personnel can be transported to and from Cockatoo Island by aircraft with the airstrip being situated on the tenements. On this basis the Company considers that, subject to cost, there should be sufficient access to infrastructure for the purpose of its proposed exploration activities.

The Company has access to a borefield located on M 04/235-I. This access is non-exclusive. There is a risk that others may be able to access either the borefield or the aquifer as the rights to take this water arises as a result of it being the holder of M 04/235-I rather than the holder of a licence granted by DWER under section 5C of the *Rights in Water and Irrigation Act 1914 (WA) (RWIA)*. In order to obtain a licence under the RWIA,

the area needs to be proclaimed and Cockatoo Island has not been proclaimed. Further, there is a risk the Company may not be able to prove ownership of certain items which form part of the borefield. The risk of unregulated access to the borefield or aquifer is that the demand for water may be greater than the aquifer is capable of supplying.

(d) **Exploration and development risks**

There is a significant risk for the Company that the proposed exploration activity is unsuccessful and does not result in the discovery of a viable resource. Mineral exploration by its nature is a high risk activity and there can be no guarantee of success in the Project areas where the Company holds tenements. Whilst the Directors will make every effort to reduce this risk, the fact remains that the discovery and development of a commercially viable resource is the exception rather than the rule. The Company is engaged in early stage exploration and appraisal activities. There is a risk that these activities will not result in the discovery of commercially extractable mineral deposits. Furthermore, no assurances can be given that if commercially viable mineral deposits are discovered, these will be able to be commercialised as intended, or at all. Whether positive income flows ultimately result from exploration and development expenditure incurred by the Company is dependent on many factors including successful exploration, establishment of production facilities, cost control, commodity price movements, successful contract negotiations for production and stability in the local political environment.

(e) **Tenure**

Mining tenements and miscellaneous licences for the Project are subject to periodic renewal. There is no guarantee that current or future tenements and/or applications for tenements will be approved.

The tenements comprising the Project are subject to the Mining Act and Mining Regulations. The renewal of the term of a granted tenement is also subject to the discretion of the Minister for Mines, the Company's ability to meet the conditions imposed by relevant authorities including compliance with the Company's work program requirements which, in turn, is dependent on the Company being sufficiently funded to meet those expenditure requirements. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Project. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

Although the Company has no reason to think that the Company's material Project tenements will not be renewed, there is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed by the relevant granting authority. The Company considers the likelihood of tenure forfeiture to be low given the laws and regulations governing exploration in Western Australia and the ongoing expenditure budgeted for by the Company. However, the consequence of forfeiture or involuntary surrender of a material granted tenement for reasons beyond the control of the Company could be significant.

(f) **Reliance on key personnel**

The Company is reliant on a small number of key personnel and consultants. The loss of one or more of these key contributors could have an adverse impact on the business including the Project.

It may be particularly difficult for the Company to attract and retain suitably qualified and experienced people, given the current high demand in the industry and relatively small size of the Company, compared to other industry participants.

The continued availability of consultants and advisers is to some extent dependent on maintaining the professional relationships that the Company's personnel have developed over time and which may be lost if key personnel cease to be involved with the Company before replacement arrangements can be made. If the involvement of key resource specialists, managers or other personnel cease for reasons of contract termination, ill health, death or disability, then technical programs and achievements may be adversely affected.

(g) **Contractual Risk**

The Company is reliant on contractual access rights to conduct certain activities.

As with any contract generally, there is a risk that the business could be disrupted in situations where there is a disagreement or dispute in relation to a term of the contract. Should such a disagreement or dispute occur, this may have an adverse impact on the Company's operations and performance generally. It is not possible for the Company to predict or protect itself against all such risks.

(h) **No profit to date and limited operating history**

The Company does not have a significant history of business operations. It is therefore not possible to evaluate the Company's prospects based on past performance. No assurance can be given that the Company will achieve commercial viability through the successful exploration and/or mining of the Project, or any tenements which are subsequently applied for or acquired by the Company. Until the Company is able to realise value from its Project, it is likely to incur ongoing operating losses. There can be no certainty that the Company will achieve or sustain profitability, or achieve or sustain positive cash flow from its operating activities or identify a mineral deposit which is capable of being exploited economically or which is capable of supporting production activities.

(i) **New assets, projects and acquisitions**

The Company's ability to generate revenue will depend on the Company being successful in exploring, identifying mineral resources and establishing mining operations in relation to the Project. There is no guarantee that the Company will be successful in exploring and developing its current Project.

The Company may make acquisitions in the future as part of future growth plans. In this regard, the Directors of the Company will use their expertise and experience in the resources sector to assess the value of potential projects that have characteristics that are likely to provide returns to Shareholders.

There can be no guarantee that any new project acquisition or investment will eventuate from these pursuits, or that any acquisitions will result in a return for Shareholders. Such acquisitions may result in use of the Company's cash resources and/or the issuance of equity securities, which will dilute shareholdings.

(j) **Additional requirements for funding**

The Company's funding requirements depend on numerous factors including the Company's ability to generate income from its Project, future exploration and work programs. Furthermore, the Company may require further funding in addition to current cash reserves and proceeds from the Placement and the Offers to fund future operational activities.

Furthermore, the Company may require further funding in addition to current cash reserves and proceeds from the Placement and the Offers to fund exploration activities.

Additional equity financing, if available, may be dilutive to Shareholders and at lower prices than the current market price. 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 or anticipated expansion.

3.2 General risks associated with resource sector operations

The Company operates in the resources sector and is subject to risks relating to exploration, drilling and production of resources which may not generally be associated with other sectors.

The exploration and development of resources and successful project development is considered to be of a high risk nature and involves inherent risks.

(a) **Nature of mineral exploration and mining**

The business of mineral exploration, development and production is subject to a high level of risk. Mineral exploration requires large amounts of expenditure over extended periods of time with no guarantee of revenue, and exploration and development activities may be impeded by circumstances and factors beyond the Company's control.

There can be no assurances that exploration and development at the Project, or any other projects that may be acquired by the Company in the future, will result in the discovery of mineral deposits which are capable of being exploited economically. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited.

Whether a mineral deposit will be commercially viable depends on a number of factors. The combination of these factors may result in the Company expending significant resources (financial and otherwise) on tenements without receiving a return. There is no certainty that expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries of an economically viable mineral deposit.

The Company has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. The Company believes that those consultants and others are competent and that they have carried out their work in accordance with internationally recognised industry standards. However, if the work conducted by those consultants or others is ultimately found to be incorrect or inadequate in any material respect, the Company may experience delays or increased costs in exploring or developing the tenements.

Further, drilling performance and the ability to complete drilling programs will depend on a number of factors, including the hardness of the rock, the power of the drill rig, the ability to penetrate and prevailing weather conditions. There is therefore no guarantee that the Company will be able to achieve its proposed drill rates.

(b) **Reserve and resource estimates**

The Company has been progressing geological interpretation and resource modelling on the Magazine Pit and Switch Pit. This work remains ongoing.

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when made may change significantly as new information becomes available.

Resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, the estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

Additionally, the mineralisation which has been identified through past work cannot be reported as it is not JORC Code 2012 compliant. There is a risk that the information cannot without, or even with, additional drilling be translated to a JORC Code 2012 Mineral Resource.

(c) **Results of studies**

Subject to the results of any future exploration and testing programs, the Company may progressively undertake a number of studies in respect to the Project. These studies may include scoping studies, pre-feasibility studies and bankable feasibility studies.

If undertaken, these studies will be completed within certain parameters designed to determine the economic feasibility of the Project within certain limits. There can be no guarantee that any of the studies undertaken by the Company will confirm the economic viability of the Project. In addition, the ability of the Company to complete a study may be dependent on the Company's ability to raise further funds to complete the study if required.

Further, even if a study determines the economics of the Project, there can be no guarantee that the Project will be successfully brought into production as assumed or within the estimated parameters in the feasibility study, once production commences including but not limited to operating costs, mineral recoveries and commodity prices.

(d) **Operational matters**

The operations of the Company may be affected by various factors which are beyond the control of the Company, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration or mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions (including climate change), industrial and environmental accidents, industrial disputes and unexpected shortages, delays in procuring, or increases in the costs of consumables, spare parts, plant and equipment, fire, explosions and other incidents beyond the control of the Company.

These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. While the Company currently intends to maintain insurance within ranges of coverage consistent with industry practice, no assurance can be given that the Company will be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

(e) **Mine development**

Possible future development of mining operations at the Project or other tenements applied for or acquired by the Company 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 (including due to climate change), 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.

If the Company commences production on any existing or future 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 existing or future projects.

(f) **Commodity price volatility**

The demand for, and price for commodities (e.g. iron ore) is highly dependent on a variety of factors, including international supply and demand, the level of consumer product demand, weather conditions, the price and availability of alternative fuels, actions taken by governments and international cartels, and global economic and political developments.

Commodity prices have fluctuated widely in recent years and may continue to fluctuate significantly in the future. Fluctuations in commodity prices, and, in particular, a material decline in the price of commodities, may have a material adverse effect on the Company's business, financial condition and results of operations.

The price of commodities fluctuate widely and are affected by numerous factors beyond the control of the Company, such as industrial and retail supply and demand, exchange rates, inflation rates, changes in global economies, confidence in the global monetary scheme, forward sales of metals by producers and speculators as well as other global or regional political, social or economic events. The supply of these resources consists of a combination of new mine production and existing stocks held by governments, producers, speculators and consumers.

Future production, if any, from the Project will be dependent upon the price of the resources being adequate to make the project economic. Future price declines in the market value of

the commodity could cause continued development of, and eventually commercial production from the Project to be rendered uneconomic. Depending on the price of the commodity, the Company could be forced to discontinue production or development and may lose its interest in, or may be forced to sell the Project. There is no assurance that, even if commercial quantities of the resource are produced, a profitable market will exist for them.

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

(g) **Drilling risks**

The Company's future drilling plans and operations may be curtailed, delayed or cancelled due to a number of factors including weather conditions, mechanical difficulties, shortage or delays in the delivery of rigs and/or other equipment and compliance with governmental requirements. While drilling may yield some resources there can be no guarantee that the discovery will be sufficiently productive to justify commercial development or cover operating costs. Completion of a drill hole does not assure a profit on the investment or recovery of drilling, completion and operating costs.

(h) **Native Title**

The *Native Title Act 1993* (Cth) (**Native Title Act**) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with native title in Australia and this may impact on the Company's operations and future plans.

Native title can be extinguished by valid grants of land (such as freehold title) or waters to people other than the native title holders or by valid use of land or waters. It can also be extinguished if the indigenous group has lost its connection with the relevant land or waters. Native title is not necessarily extinguished by the grant of mining leases, although a valid mining lease prevails over native title to the extent of any inconsistency for the duration of the title.

Tenements granted before 1 January 1994 are valid or validated by the Native Title Act.

For tenements to be validly granted (or renewed) after 1 January 1994, the future act regime established by the Native Title Act must be complied with.

The existence of a native title claim is not an indication that native title in fact exists on the land covered by the claim, as this is a matter ultimately determined by the Federal Court. The lack of a native title claim is not an indication that native title does not exist on the land which is not currently the subject of a claim.

There is a determined native title claim over all of the Tenements, being the Dambimangari Claim. Native title over M 04/235-I has been partially extinguished but the relevant native title holders have various non-exclusive native title rights over certain mining leases, including M 04/235-I. The native title determination also preserves the rights of other granted tenements.

As the relevant native title rights over the tenements are not fully extinguished, the grant of pending tenements, as well as any renewal of the tenements, or the grant of new mining tenements in future, must comply with any applicable processes under the Native Title Act.

The main risks arising from this include:

- (i) delays in obtaining the grant of the pending tenements or of future renewals (where applicable) or conversions of the tenements, or further applications, as a

result of the future act processes in the Native Title Act. Future act processes can typically take in excess of 18 months unless there is an agreement already in place and may result in a determination that the application cannot be granted or can only be granted on conditions unacceptable to the Company;

- (ii) compensation may be payable by the Company as a result of agreements made pursuant to the future act process or as a result of a compensation order made by the Federal Court; and
- (iii) failure by the State Government to fully comply with the applicable future act processes will result in a tenement that is granted being invalid to the extent it is inconsistent with native title rights and interests, it will be difficult to assess what practical affect that will have other than on a case by case basis.

The Company must also comply with Aboriginal heritage legislation requirements, which require certain due diligence investigations to be undertaken ahead of the commencement of exploration and mining. This due diligence may include, in certain circumstances, the conduct of Aboriginal heritage surveys.

(i) **Force majeure**

The Project, now or in the future, may be adversely affected by risks outside the control of the Company including weather conditions, pandemics, epidemics or quarantine restrictions (eg COVID-19 related disruptions), labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes.

(j) **Insurance**

Insurance of all risks associated with resource exploration and production is not always available and, where it is available, the cost may be high. The Company will have insurance in place which it considers appropriate for the Company's needs.

The business of the Company is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to properties of the Company or others, delays in mining, monetary losses and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability.

It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

(k) **Environmental risk**

The Project is subject to State and Federal laws and regulations regarding environmental matters. The Governments and other authorities that administer and enforce environmental laws and regulations determine these requirements. As with all exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if the Company's activities result in mine development. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Further, the Company may require additional approvals from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments which could have a material adverse effect on the Company's business, financial condition and results of operations.

(l) **Occupational Health and Safety Risk**

The Company is committed to providing a healthy and safe environment for its personnel, contractors and visitors. However, mining activities have inherent risks and hazards. While the Company provides appropriate instructions, equipment, preventative measures, first aid information and training to all stakeholders through its occupational, health and safety management systems, health and safety incidents may nevertheless occur. Any illness, personal injury, death or damage to property resulting from the Company's activities may lead to a claim against the Company.

(m) **Equipment access**

High local, regional or global demand for exploration and development equipment and infrastructure (as currently experienced globally) and experienced operators of this equipment may adversely affect the Company's operations. The Company may not always have access to experienced crews, drill rigs, and operators and this may cause delays in the Company's exploration and development programs, which may result in increased costs in relation to the Project.

3.3 General risks

(a) **Securities investment**

There are risks associated with any securities investment. The prices at which securities trade may fluctuate in response to a number of factors.

Furthermore, the stock market, and in particular the market for resource exploration companies, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of such companies. There can be no guarantee that these trading prices will be sustained. These factors may materially affect the market price of securities regardless of the Company's operational performance.

(b) **Share market conditions**

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

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) changes in investor sentiment toward particular market sectors;
- (iv) the demand for, and supply of, capital; and
- (v) terrorism or other hostilities.

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

(c) **Economic risk**

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, industrial disruption, the rate of growth of gross domestic product in Australia, or any other country in which the Company operates, interest rates and the rate of inflation.

(d) **Changes in government legislation and regulation**

Changes in government, monetary policies, taxation and other laws can have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its Shares. Such changes are likely to be beyond the control of the Company and may affect industry profitability as well as the Company's capacity to explore and mine.

The Company is not aware of any reviews or changes that would affect its current or proposed interests in tenements. However, changes in political and community attitudes on matters such as taxation, competition policy and environmental issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect the Company's exploration and/or development plans or its rights and obligations in respect of the tenements in which it holds interests. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations by the Company.

(e) **Competition**

The Company will compete with other companies, including major resource companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. Many of the Company's competitors not only explore for and produce resources, but also carry out refining operations and market their and other products on a worldwide basis. There can be no assurance that the Company can compete effectively with these companies.

(f) **Litigation Risks**

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, financial performance and financial position. To the best of the current Directors' knowledge, the Company is not currently engaged in any material litigation.

(g) **Taxation**

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 point of view and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Shares under this Offer Document.

(h) **Climate Change Risk**

Climate change is a risk the Company has considered, particularly related to its operations in the mining industry. The climate change risks particularly attributable to the Company include:

- (i) 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
- (ii) 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.

3.4 Investment highly speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares offered under this Offer Document. Therefore, the New Shares to be issued pursuant to this Offer Document carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Shares pursuant to this Offer Document.

4. Rights attaching to New Shares

4.1 General

The New Shares to be issued pursuant to this Offer Document are fully paid ordinary shares in the capital of the Company and will, as from their allotment, rank equally in all respects with all existing Shares.

The rights attaching to the Shares arise from a combination of the Constitution, statute and general law. Copies of the Constitution are available for inspection during business hours at the Company's registered office. The Constitution has been lodged with ASIC.

A summary of the more significant rights is detailed below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Shareholders.

(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.

(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 or, if a determination has been made by the Board by direct vote;

- (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 (even though he or she may represent more than one member); and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder (or where a direct vote has been lodged) shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares, shall have such number of votes being equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable in respect of those Shares (excluding amounts credited).

(c) **Direct voting**

The Directors may determine that Shareholders may cast votes to which they are entitled on any or all of the resolutions (including any special resolution) proposed to be considered at, and specified in the notice convening, a meeting of Shareholders, by direct vote. Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll at the meeting. In order for direct voting to be available, Directors must elect that votes can be cast via direct vote for all or any resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the Directors, the notice of meeting will include information on the application of direct voting.

(d) **Dividend rights**

Subject to and in accordance with the Corporations Act, the Listing Rules, 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 dividends, the Directors may from time to time decide to pay a dividend to the Shareholder 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 rescind a decision to pay a dividend if they decide, before the payment date, that the Company's financial position no longer justifies the payment.

(e) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among Shareholders in kind, the whole or any part of the property of the Company, and may for the purpose set such value as the liquidator considers fair upon any property to be so divided, and may determine how the division is to be carried out as between Shareholders or different classes of Shareholders. The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is liability.

(f) **Shareholder liability**

As Shares to be issued under the Offers are fully paid ordinary shares in the Company, they are not subject to any calls for money by Directors and will therefore not become liable for forfeiture.

(g) **Transfer of Shares**

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

(h) **Variation of rights**

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares. If at any time the share capital is divided into different classes of the Company 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) **Restricted Securities**

The Company's constitution complies with Listing Rule 15.12. Certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) are required to execute a formal escrow agreement in the form of Appendix 9A to the Listing Rules. For those with less significant holdings (such as non-related parties and non-promoters) the Company will issue restriction notices to holders of restricted securities in the form of Appendix 9C to the Listing Rules advising them of the restriction rather than requiring signed restriction agreements.

(j) **Alteration of constitution**

The Constitution can only be amended by a special resolution passed by at least 75% of the votes cast by members entitled to vote on the resolution 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.

5. Defined Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Offer Document.

\$ means Australian dollars.

Acceptance Form means an Entitlement and Acceptance Form or Shortfall Acceptance Form (as applicable).

Applicant refers to a person who submits an Entitlement and Acceptance Form or Shortfall Acceptance Form.

Application means a valid application for New Shares under the Entitlement Offer made pursuant to an Entitlement and Acceptance Form or Shortfall Shares under the Shortfall Offer made pursuant to a Shortfall Acceptance Form (as applicable).

Application Monies means application monies for New Shares received by the Company from an Applicant.

ASIC means the Australian Securities and Investment Commission.

ASX means ASX Limited ACN 008 624 691 or, where the context permits, the Australian Securities Exchange operated by ASX Limited.

ASXS means ASX Settlement Pty Ltd ACN 008 504 532.

ASXS Operating Rules means the operating rules of ASXS, except to the extent of any relief given by ASXS.

AWST means Australian Western Standard Time, being the time in Perth, Western Australia.

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.

CHESS means ASX Clearing House Electronic Subregistry System.

Closing Date means the closing date of the Entitlement Offer detailed in Section 1.4.

Company means Pearl Gull Iron Limited ACN 621 103 535.

Constitution means the constitution of the Company.

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

CS Act means the *Contaminated Sites Act 2003* (WA).

Directors means the directors of the Company from time to time.

DWER means the Western Australian Department of Water and Environment Regulation.

EFT means Electronic Funds Transfer.

Eligible Shareholder has the meaning given in Section 1.21.

Entitlement means the entitlement of an Eligible Shareholder to participate in the Entitlement Offer.

Entitlement Offer has the meaning given in Section 1.1.

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Offer Document.

Ineligible Shareholder has the meaning given in Section 1.22.

Issuer Sponsored means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker, or without the holder being admitted as an institutional participant in CHES.

JORC Code 2012 means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 edition, unless otherwise stated.

Lead Manager means Golden Triangle Corporate Pty Limited ACN 622 693 243.

Listing Rules means the Listing Rules of the ASX.

Mandate has the meaning given in Section 1.29.

Mineral Resource has the meaning given to that term in the JORC Code 2012.

Mining Act means *Mining Act 1978 (WA)*.

Mining Regulations means *Mining Regulations 1981 (WA)*.

Native Title Act means *Native Title Act 1993 (Cth)*.

New Share means a new Share proposed to be issued pursuant to the Entitlement Offer.

Offer means the Entitlement Offer or Shortfall Offer, as the context requires, and **Offers** means both of them.

Offer Document means this offer document dated 21 December 2022.

Option means an option to acquire a Share.

Opening Date means the opening date of the Entitlement Offer detailed in Section 1.4.

Placement has the meaning given in Section 1.1.

Placement Shares has the meaning given in Section 1.1.

Project means the Company's iron ore project located at Cockatoo Island in Western Australia.

Record Date means 5:00pm (AWST) on Friday, 23 December 2022.

RWIA means *Rights in Water and Irrigation Act 1914 (WA)*.

Section means a section of this Offer Document.

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

Share Registry means Automic Pty Limited ACN 152 260 814.

Shareholder means a holder of Shares.

Shortfall means New Shares not subscribed for under the Entitlement Offer before the Closing Date.

Shortfall Acceptance Form means the Shortfall Acceptance Form which is to accompany this Offer Document, to be used for the purposes of applying for Shortfall Shares.

Shortfall Offer has the meaning given in Section 1.27.

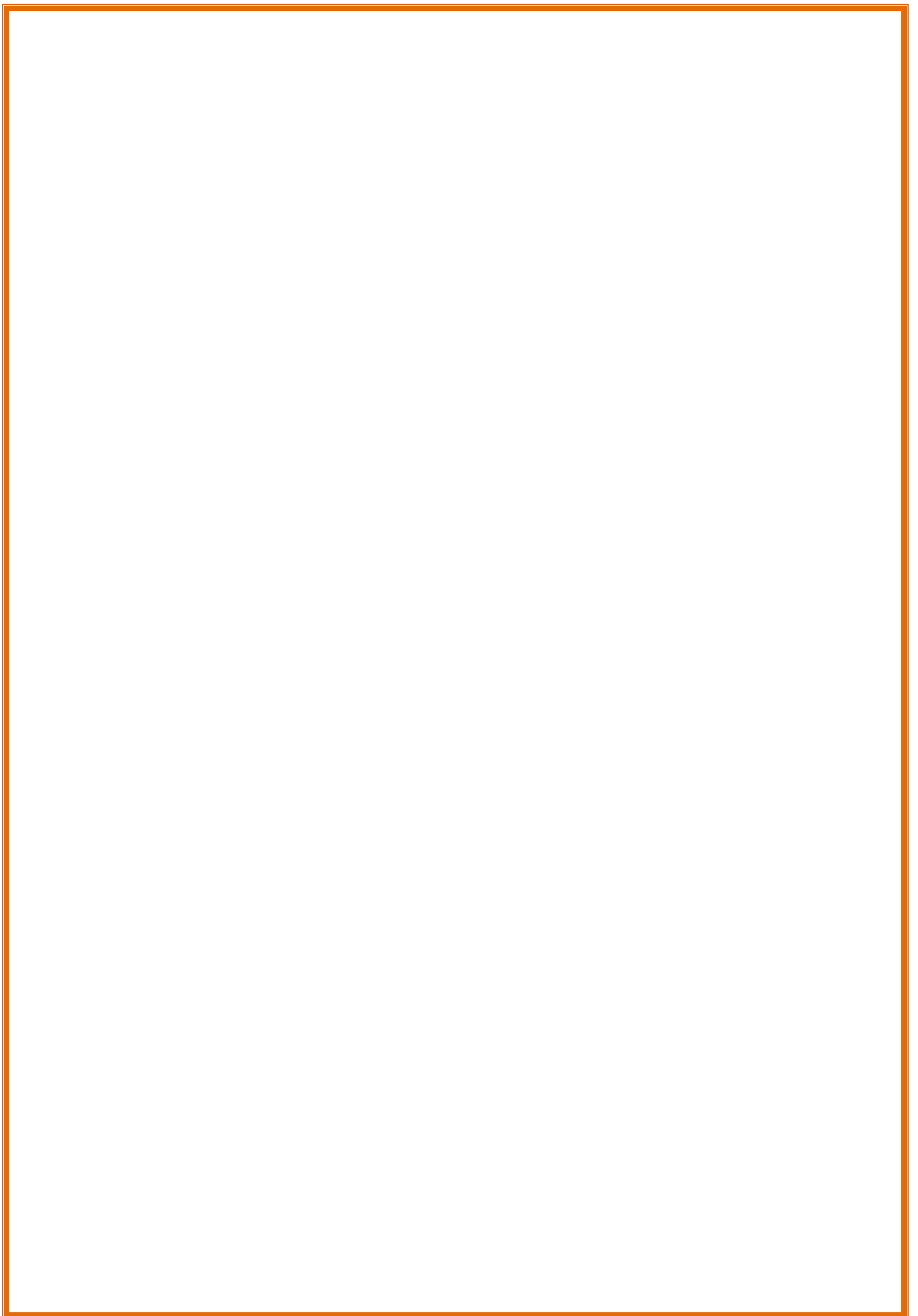
Shortfall Shares means those New Shares issued pursuant to the Shortfall Offer.

Tranche 1 Placement Shares has the meaning given in Section 1.3.

Tranche 2 Placement Shares has the meaning given in Section 1.3.

Underwriter means Malekula Projects Pty Ltd ACN 160 904 601.

Underwriting Agreement has the meaning given in Section 1.28.





PEARL GULL IRON

Pearl Gull Iron Limited | ACN 621 103 535

All Registry Communication to:



GPO Box 5193, Sydney NSW 2001
1300 288 664 (within Australia)
+61 2 9698 5414 (international)
corporate.actions@automicgroup.com.au
www.automicgroup.com.au

Holder Number:

Shares held as at the Record Date at 5.00 pm (AWST) 23 December 2022

ENTITLEMENT AND ACCEPTANCE FORM

OFFER CLOSSES 5.00PM (AWST) 18 JANUARY 2023 (WHICH MAY CHANGE WITHOUT NOTICE)

On 20 December 2022, Pearl Gull Iron Limited (the Company) announced its intention to raise approximately \$1 million (before costs) by way of a 1 for 2 pro-rata non-renounceable entitlement offer of new fully paid ordinary shares in Pearl Gull Iron Limited.

Shortfall Shares will be allocated to the Underwriter in accordance with the Underwriting Agreement. Accordingly, please do not apply for Shortfall Shares unless instructed to do so by the Underwriter or the Directors.

The Entitlement Offer Booklet dated 21 December 2022 contains information about the Entitlement Offer and you should carefully read the Booklet before applying for Shares. This Entitlement and Acceptance Form should be read in conjunction with the Entitlement Offer Booklet.

1 ACCEPTANCE OF ENTITLEMENT OR PART THEREOF

Table with 3 columns: Entitlement Type, Payment Amount A\$ (\$0.02 per Share), and Number of Shares Applied.

No fractional shares will be issued. If the dollar amount for additional shares, divided by the issue price (\$0.02), is a fraction of a New Share, the New Shares allotted will be rounded down.

2 MAKE YOUR PAYMENT BY BPAY® OR ELECTRONIC FUNDS TRANSFER (EFT)

Payments must be made by BPAY® or by EFT and may not be made by cheque or money order. You do not need to return this form if you have made payment via BPAY® or EFT.

Total Payment A\$ [grid]

Option A - BPAY® and Option B - Electronic Funds Transfer (EFT) details including Biller Code, Ref No, Account name, BSB, Account number, and Swift Code.

3 Elect to receive email communication

Return to Automic Group by email to corporate.actions@automicgroup.com.au

Form for electing to receive email communication, including Telephone Number, Contact Name, and email address.

INSTRUCTIONS FOR COMPLETION OF THIS FORM

The right to participate in the Entitlement Offer is optional and is offered exclusively to all Shareholders who are registered as holders of fully paid ordinary Shares in the capital of the Company on the Record Date with a registered address in Australia or New Zealand (**Eligible Shareholders**).

ACCEPTANCE OF OFFER

By making a BPAY® or EFT payment:

- you represent and warrant that you have read and understood the Entitlement Offer Booklet and that you acknowledge the matters, and make the warranties and representations contained therein and in this Entitlement and Acceptance Form; and
- you provide authorisation to be registered as the holder of Shares acquired by you and agree to be bound by the Constitution of the Company.

1 Acceptance of Full or Partial Entitlement for Shares

If you wish to accept your full entitlement:

- make payment by BPAY® or EFT for your full entitlement by following the instructions on this Entitlement and Acceptance Form.

If you only wish to accept part of your entitlement:

- calculate the payment amount for the portion of your entitlement that you wish to take up in accordance with the partial entitlement section of this Entitlement and Acceptance Form; and
- make payment by BPAY® or EFT for that portion of your entitlement by following the instructions on this Entitlement and Acceptance Form.

2 Payment

By making a payment via BPAY® or EFT, you agree that it is your responsibility to ensure that funds are submitted correctly and received by the Share Registry by the closing date and time. Payment must be received by the Share Registry by 5:00pm (AWST) on 18 January 2023.

It is your responsibility to ensure your CRN or unique Payment Reference is quoted, as per the instructions in Section 3. If you fail to quote your CRN or unique Payment Reference correctly, Automic may be unable to allocate or refund your payment. If you need assistance, please contact Automic.

Payment by BPAY®: You can make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. To BPAY® this payment via internet or telephone banking use your reference number on this Form. Multiple acceptances must be paid separately.

Payment by EFT: You can make a payment via Electronic Funds Transfer (EFT). Multiple acceptances must be paid separately. Please use your unique reference on this Form. This will ensure your payment is processed correctly to your application electronically.

Applicants should be aware of Automic's financial institution's cut off-time, their own financial institution's cut-off time and associated fees with processing a funds transfer. It is the Applicant's responsibility to ensure funds are submitted correctly by the closing date and time, including taking into account any delay that may occur as a result of payments being made after 5pm (AEST) and/or on a day that is not a business day (payment must be made to be processed overnight). You do not need to return this Form if you have made payment via BPAY® or EFT. Your reference number will process your payment to your application electronically and you will be deemed to have applied for such Shares for which you have paid.

3 Contact Details - Elect to receive email communication

The Company encourages shareholders to elect to receive their shareholder communications electronically. This will ensure you receive all future important shareholder communications in a faster and more secure way and reduce the environmental footprint of printing and mailing.

If you require further information about the Offer, please contact Automic on 1300 288 664 or +61 2 9698 5414 between 8:30am and 5:00pm (AEDT).