

ALDORO RESOURCES LTD
ACN 622 990 809

OPTIONS PROSPECTUS

For the offers of up to:

- (a) 23,457,264 New Options to unrelated Eligible ARNO Optionholders, on the basis of one (1) New Option for every one (1) ARNO Option held on the Record Date (**Option Placement Offer**); and
- (b) 2,075,000 New Options to Eligible Directors, on the basis of one (1) New Option for every one (1) ARNO Option held on the Record Date (**Director Offer**),

(together, the **Offers**).

IMPORTANT NOTICE

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

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

IMPORTANT NOTICE

This Prospectus is dated 28 September 2023 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

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

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

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

Applications for New Options offered pursuant to this Prospectus can only be made by an original Application Form.

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

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

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment

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

Forward-looking statements

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

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

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

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

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

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5.

Overseas shareholders

The Offers do not, and are not intended to, constitute offers in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

The Offers are not being extended and New Options will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

For further information on overseas Shareholders please refer to Section 2.13.

Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of its Securities.

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

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX. Please refer to Section 6.2 for further details.

Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of New Options issued under this Prospectus. The Company will only distribute this Prospectus to those investors who fall within the target market determination (TMD) as set out on the Company's website (www.aldororesources.com).

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

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.aldororesources.com. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus, or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 8 6559 1792 during office hours or by emailing the Company at contact@aldororesources.com.

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

Company Website

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

Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain.

Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

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

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

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

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

Photographs and Diagrams

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

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 0.

All references to time in this Prospectus are references to

Australian Western Standard Time.

Privacy statement

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

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

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

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

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offers please call the Company Secretary on +61 8 6559 1792.

CORPORATE DIRECTORY

Directors

Troy Flannery
Non-Executive Director

Mark Mitchell
Technical Director

Lincoln Ho
Non-Executive Director

Caigen Wang
Non-Executive Director

Company Secretary

Sarah Smith

Registered Office

Suite 11
23 Railway Road
SUBIACO WA 6008

Telephone: +61 2 7229 4628
Email: contact@aldororesources.com
Website: www.aldororesources.com

Auditor*

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

Share Registry*

Automatic Share Registry
Level 5, 191 St Georges Terrace
PERTH WA 6000

Telephone: 1300 288 664

Legal Advisers

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

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

1. KEY OFFER INFORMATION

1.1 Timetable

| Action | Date* |
|---|-------------------|
| Record Date for Offers (5:00pm AWST) | 31 August 2023 |
| Lodgement of Prospectus with ASIC and ASX | 28 September 2023 |
| Opening Date | 28 September 2023 |
| Closing Date (5:00pm AWST) | 12 October 2023 |
| Issue of New Options under the Option Placement Offer | 16 October 2023 |
| Expected date of Official Quotation of New Options under the Option Placement Offer | 18 October 2023 |
| Annual General Meeting of Shareholders | 9 November 2023 |
| Issue of New Options under the Director Offer | 9 November 2023 |

* The Directors reserve the right to bring forward or extend the Closing Date at any time after the Opening Date without notice. As such, the date the New Options are expected to be quoted on ASX may vary with any change in the Closing Date.

2. DETAILS OF THE OFFERS

2.1 Option Placement Offer

At the Company's General Meeting held on 17 July 2023 (**General Meeting**), the Company obtained Shareholder approval under ASX Listing Rule 7.1 for the issue of up to 25,532,264 Options, exercisable at \$0.30 each on or before 9 September 2024 (**New Options**) at an issue price of \$0.005 per New Option to raise up to approximately \$127,661 (**Option Placement Offer**).

The Option Placement Offer is offered to all Australian and New Zealand based holders of the Company's ARNO Class of Options (**ARNO Options**) (**Eligible ARNO Optionholders**) that are not related parties of the Company, on the basis of one (1) New Option for every one (1) ARNO Option held at 5:00pm (WST) on 31 August 2023, being the expiry date of the ARNO Options (**Record Date**).

The maximum number of New Options to be issued under the Option Placement Offer is 23,457,264 being the number of ARNO Options held by Eligible ARNO Optionholders on the Record Date.

By this Prospectus, the Company makes the Option Placement Offer in respect of the Option Placement. All New Options offered under the Option Placement Offer will be issued on the terms set out in Section 4.2. All Shares issued on exercise of the New Options will rank equally with the Shares on issue at the date of this Prospectus.

The Offer is extended to the Eligible ARNO Optionholders only. Accordingly, Application Forms will only be provided by the Company to these persons.

The Company will apply for Official Quotation of the New Options offered pursuant to the Option Placement Offer.

2.2 Director Offer

This Prospectus also includes an offer of up to 2,075,000 New Options to the Eligible Directors, namely Troy Flannery (1,050,000 New Options) and Lincoln Ho (1,025,000 New Options). The New Options will be issued on the same terms as the Option Placement Offer, being an issue price of \$0.005 per New Option in order for the Company to raise up to \$10,375 from the Director Offer.

Shareholder approval for the New Options pursuant to the Director Offer will be sought under ASX Listing Rule 10.11 at the Company's annual general meeting for the financial year ended 30 June 2023 (**AGM**).

Shareholder approval could not be sought at the General Meeting for the issue of New Options to the Eligible Directors, as it is a requirement of the ASX Listing Rules that any issue of securities to a related party under ASX Listing Rule 10.11 must be completed within one month of the meeting in the absence of a waiver (which ASX was not prepared to give in respect of the Option Placement Offer).

In the event Shareholders approve the issue of New Options to the Eligible Directors under ASX Listing Rule 10.11 at the AGM, the number of New Options to be issued in reliance on Resolution 11 of the General Meeting will be reduced by a corresponding amount. Conversely, if Shareholders do not approve the issue of New Options to Eligible Directors at a subsequent general meeting or the Eligible Directors do not take up the New Options offered to them, the New Options offered to the Eligible Directors will instead form part of the shortfall under the

Option Placement Offer and will be issued to investors identified by the Board that are not related parties of the Company.

Only the Eligible Directors (or their nominees) may accept the Director Offer, by using the relevant Application Form in relation to the Director Offer.

All New Options offered under the Director Offer will be issued on the terms set out in Section 4.2. All Shares issued on exercise of the New Options will rank equally with the Shares on issue at the date of this Prospectus.

The Company will apply for Official Quotation of the New Options offered pursuant to the Director Offer.

2.3 Underwriting

The Offers are not underwritten.

2.4 Minimum subscription

There is no minimum subscription for the Offers.

2.5 Oversubscriptions

No oversubscriptions will be accepted by the Company.

2.6 Applications

Applications for New Options can only be made by the unrelated Eligible ARNO Optionholders and Eligible Directors (or their nominee(s)) at the direction of the Company and must be made using the appropriate Entitlement and Acceptance Form accompanying this Prospectus. The Payment must be made using the personalized payment details on the form by the Closing Date. Please note that should you choose to pay by EFT or BPAY® you do not need to submit a form.

The New Options issued under the Option Placement Offer and the Director Offer are being issued for cash consideration and therefore the Applicants are required to pay funds with their application.

The Company reserves the right to close the Offers early.

2.7 Implications of Completing an Application Form

By making a payment of application monies, Applicants will be taken to have declared that all details and statements made by them are complete and accurate and that they have personally received their Entitlement and Acceptance Form together with a complete and unaltered copy of this Prospectus.

Payment must be made no later than 5.00pm (AWST) on the Closing Date, which is currently scheduled to occur on 12 October 2023.

If you require assistance in completing an Application Form, please contact the Share Registry on 1300 288 664 or email Ms Sarah Smith, Company Secretary, at ss@miradorcorporate.com.

2.8 Payment

For payment by EFT or BPAY®, please follow the instructions on the Entitlement and Acceptance Form.

You can only make a payment via:

- (a) EFT if you are a holder of an account that supports EFT transactions to an Australian bank account; or
- (b) BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

Please note that should you choose to pay by EFT or BPAY®:

- (a) you do not need to submit your Entitlement and Acceptance Form but are taken to have made the declarations on your Entitlement and Acceptance Form; and
- (b) if you do not pay for your entitlement in full, you are deemed to have taken up your entitlement in respect of such whole number of New Options which is covered in full by your application monies.

It is your responsibility to ensure that your EFT or BPAY® payment is received by the share registry by no later than 5:00pm (AWST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of Securities (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

It is also 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.

2.9 Shortfall Offer

Any entitlement not taken up pursuant to the Offers will form the Shortfall Offer (**Shortfall Offer**). The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The subscription price for each New Option to be issued under the Shortfall Offer shall be \$0.005 per New Option (**Shortfall Options**) being the price at which New Options have been offered under the Offers.

All decisions regarding the allocation of Shortfall Options will be made by the Directors, with any Shortfall Options to be issued to investors identified by the Board that are not related parties of the Company. Any decision by the Directors will be final and binding on all Applicants under the Shortfall Offer; as such there is no guarantee that any Shortfall Options applied for will be issued to Applicants.

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

No Shortfall Options will be issued to a party under the Shortfall Offer if the effect would be to increase that party's voting power in the Company to an amount greater than 19.99%. Related parties, including Directors, are not entitled to participate in the Shortfall Offer.

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

2.10 ASX Listing

Application for Official Quotation of the New Options offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If the New Options are not admitted to Official Quotation by ASX before the expiration of three months after the date of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Options under the Offers and will refund all application monies received under the Option Placement Offer and Director Offer.

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

2.11 Issue of New Options

The New Options offered by this Prospectus will be issued in accordance with the ASX Listing Rules and timetable set out in Section 1 of this Prospectus. Holding statements for New Options issued pursuant to the Offers will be mailed in accordance with the ASX Listing Rules and timetable set out in Section 1 of this Prospectus.

2.12 Defects in Applications

If an Application Form is not completed correctly, the Company may, in its discretion, still treat the Application Form to be valid. The Company's decision to treat an application as valid, or how to construe, amend or complete it, will be final.

2.13 Overseas shareholders

The Offers do not, and are not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

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

New Zealand

The New Options are not being offered or sold to the public within New Zealand other than to existing Eligible ARNO Optionholders of the Company with registered addresses in New Zealand to whom the offer of Securities is being made in

reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2021* (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (New Zealand). This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Nominees and custodians

Nominees and custodians may not submit an Application Form on behalf of any Shareholder resident outside Australia or New Zealand without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Application Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

2.14 Enquiries

Any questions concerning the Offers should be directed to Ms Sarah Smith, Company Secretary, on +61 8 6559 1792.

3. PURPOSE AND EFFECT OF THE OFFERS

3.1 Purpose of the Offers

The purpose of the Offers is to raise approximately \$127,661 (before costs) and to enable Eligible ARNO Optionholders to continue to participate in the ongoing development of the Company.

In addition to the above purposes, the Offers are being made under this Prospectus to remove any trading restrictions attaching to the New Options and any Shares issued on exercise of the New Options. The Company confirms that:

- (a) the New Options offered under this Prospectus are being issued with disclosure under this Prospectus (which is a disclosure document under Part 6D.2 of the Corporations Act); and
- (b) the Offers are being made such that the relief provided under *ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80* with respect to the on-sale provisions of section 707 of the Corporations Act is available.

Subject to the New Options being granted to Official Quotation on the ASX, holders of the New Options will be able to trade the New Options on the ASX and will be able to exercise the New Options into Shares and trade those Shares without the need for additional disclosure and without any trading restrictions.

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

| Item | Proceeds of the Offer | Full Subscription | % |
|------|--|-------------------|-------------|
| 1. | Progressing the Wyemandoo Project, Niobe Rb-Li Project and Narndee Ni-Cu-PGE Project, due diligence investigations in respect of the Kameelburg Carbonatite Project in Namibia | 50,000 | 39.16% |
| 2. | Expenses of the Offer ¹ | 43,785 | 34.30% |
| 3. | Working capital | 33,876 | 26.54% |
| | Total | \$127,661 | 100% |

Notes:

1. Refer to Section 6.7 for further details relating to the estimated expenses of the Offer.

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

If all New Options issued under this Prospectus are exercised into Shares, the Company will receive a further \$7,659,679.20.

3.2 Effects of the Offers

The principal effects of the Offers, assuming all New Options offered under the Prospectus are issued, will be to:

- (a) increase the cash reserves by \$83,876 (after deducting the estimated expenses of the Offers) immediately after completion of the Offers;
- (b) increase the number of Options currently on issue from 24,905,714 as at the date of this Prospectus to 50,437,978; and
- (c) remove any trading restrictions attaching to the New Options and to enable the on-sale of any Shares issued on exercise of the New Options issued under this Prospectus.

3.3 Pro-forma balance sheet

The unaudited balance sheet as at 30 June 2023 and the unaudited pro-forma balance sheet as at 30 June 2023 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

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

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

| | AUDITED 30/06/2023 \$ | PROFORMA Maximum Raise \$ |
|---|-----------------------------|---------------------------------|
| CURRENT ASSETS | | |
| Cash | 2,898,037 | 2,981,913 |
| Other current assets | 158,138 | 158,138 |
| TOTAL CURRENT ASSETS | 3,056,175 | 3,140,051 |
| | | |
| NON-CURRENT ASSETS | | |
| Equipment and buildings | 265,377 | 265,377 |
| Exploration and evaluation expenditure | 9,158,957 | 9,158,957 |
| Financial assets at fair value through profit or loss | 750,000 | 750,000 |
| TOTAL NON-CURRENT ASSETS | 10,174,334 | 10,174,334 |
| | | |
| TOTAL ASSETS | 13,230,509 | 13,314,385 |
| | | |
| CURRENT LIABILITIES | | |
| Creditors and borrowings | 490,022 | 490,022 |
| TOTAL CURRENT LIABILITIES | 490,022 | 490,022 |
| | | |
| TOTAL LIABILITIES | 490,022 | 490,022 |
| | | |
| NET ASSETS (LIABILITIES) | 12,740,487 | 12,824,363 |
| | | |
| EQUITY | | |
| Share capital | 22,118,881 | 22,118,881 |
| Options Reserve | 2,536,320 | 2,663,981 |
| Retained loss | (11,914,714) | (11,958,499) |
| TOTAL EQUITY | 12,740,487 | 12,824,363 |

3.4 Effect of the Offers on capital structure

The effect of the Offers on the capital structure of the Company, assuming all New Options are issued, is set out below.

| Shares¹ | Number |
|---|--------------------|
| Shares currently on issue | 134,623,743 |
| Shares offered pursuant to the Offers | Nil |
| Total Shares on completion of the Offers | 134,623,743 |
| Options | Number |
| Options currently on issue ² | 24,905,714 |
| New Options offered pursuant to the Option Placement Offer ³ | 23,457,264 |
| New Options offered pursuant to the Director Offer ³ | 2,075,000 |
| Total Options on completion of the Offers | 50,437,978 |

Notes:

1. The rights attaching to the Shares are summarised in Section 4.1 of this Prospectus.
2. Comprising:
 - (a) 9,550,000 unquoted Options exercisable at \$0.30 each on or before 9 September 2024;
 - (b) 4,500,000 unquoted Options exercisable at \$0.25 each on or before 9 September 2026; and
 - (c) 10,855,714 unquoted Options exercisable at \$0.25 each on or before 9 September 2026.
3. Quoted Options exercisable at \$0.30 each on or before 9 September 2024, the terms of which are set out at Section 4.2.

The capital structure on a fully diluted basis as at the date of this Prospectus is 159,529,457 Shares and on completion of the Offers (assuming all New Options offered under this Prospectus are issued and exercised into Shares) would be 185,061,721 Shares.

3.5 Financial effect of the Offer

The expenses of the Offers are estimated to be approximately \$43,785 and will be met utilising the Company's existing cash reserves.

Accordingly, the financial effect of the Offers will be to reduce the Company's existing cash reserves by \$43,785.

3.6 Substantial Shareholders

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

| Shareholder | Shares | % |
|---|------------|--------|
| Hongkong Ausino Investment Limited | 14,338,013 | 10.65% |
| BNP Paribas Nominees Pty Ltd <IB AU NOMS RETAILCLIENT DRP> | 12,369,003 | 9.19% |
| The Pioneer Development Fund (Aust) Limited | 7,435,989 | 5.52% |
| Tell Corporation Pty Ltd | 7,395,000 | 5.49% |

The Company confirms that no existing Shareholder will increase its shareholding to above 19.9% as a result of the Offers.

4. RIGHTS ATTACHING TO SECURITIES

4.1 Rights and liabilities attaching to Shares

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

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

(a) General meetings

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

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

(b) Voting rights

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

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

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of

the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

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

(d) **Winding-up**

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

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

(e) **Shareholder liability**

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

(f) **Transfer of shares**

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

(g) **Future increase in capital**

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

(h) **Variation of rights**

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

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

(i) **Alteration of constitution**

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

4.2 Terms of the New Options

(a) **Entitlement**

Each Option entitles the holder to subscribe for one (1) fully paid ordinary share (**Share**) in the Company upon exercise of the Option.

(b) **Exercise Price**

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

(c) **Expiry Date**

Each Option will expire at 5:00pm (AWST) on 9 September 2024 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

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

Within five (5) Business Days after the Exercise Date, the Company will:

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

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

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Transferability**

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

5. RISK FACTORS

5.1 Introduction

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

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

5.2 Company specific

| Risk Category | Risk |
|--|---|
| Additional requirements for capital | The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Option Placement. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company. |
| Climate Risk | There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include: (a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and (b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates. |

| Risk Category | Risk |
|-------------------------------|---|
| Coronavirus (COVID-19) | <p>The coronavirus disease (COVID-19) may continue to impact global economic markets. While COVID-19 is not currently materially affecting the Company's operations, with the potential for further outbreaks and new strains of the virus, the ongoing nature and extent of the effects on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by further outbreaks and new strains of COVID-19. Further, any new governmental or industry measures taken in response to further outbreaks and new strains of the virus may adversely impact the Company's future operations.</p> |
| Exploration Risk | <p>Potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of the Company's projects, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.</p> <p>The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.</p> <p>The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its projects and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the tenements, a reduction in the cash reserves of the Company and possible relinquishment of the projects.</p> <p>The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.</p> |
| Commodity Prices | <p>As an explorer for rare earth elements, any earnings of the Company are expected to be closely related to the prices of these commodities. Commodities prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include worldwide and regional supply and demand for commodities, general world economic conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global basis. These factors may have a positive or negative effect on the Company's exploration, project development and production plans and activities, together with the ability to fund those plans and activities.</p> |
| Title risk | <p>Interests in tenements in Australia are governed by the respective State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments. Additionally, tenements are subject to periodic renewal. There is no guarantee that current or future tenements and/or applications for tenements or renewal of tenements will be approved.</p> |

| Risk Category | Risk |
|---|---|
| Mine Development Risk | <p>Possible future development of a mining operation at the Company's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.</p> <p>If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects and treatment of ore.</p> |
| Access risk | <p>The exploration and operational activities of the Company are subject to Australian laws concerning the environment. The Company is required under the laws to obtain environmental approval to commence drilling. The Company's activities are expected to have an impact on the environment particularly if advanced exploration or mine site recommissioning or development proceeds. It is the Company's intention to continue to conduct its operations and activities to the highest standard of environmental obligation including but not limited to compliance with all environmental laws and regulations.</p> |
| Nickel, cobalt, rubidium and lithium price volatility and exchange rates | <p>Changes in the market prices of nickel, cobalt, rubidium and lithium which in the past have fluctuated widely, will affect the profitability of the Company's operations and its financial condition. The Company's revenues, profitability and viability depend on the market price of nickel and cobalt produced from the Company's projects. The market price of nickel, cobalt, rubidium and lithium is set in the world market and is affected by numerous industry factors beyond the Company's control including the demand for metals, expectations with respect to the rate of inflation, interest rates, currency exchange rates, the demand for industrial products containing metals, nickel production levels, inventories, cost of substitutes, changes in global or regional investment or consumption patterns, and sales by central banks and other holders, speculators and procedures of nickel and other metals in response to any of the above factors, and global and regional political and economic factors.</p> <p>A decline in the market price of nickel, cobalt, rubidium or lithium below the Company's production costs for any sustained period would have a material adverse impact on the profit, cash flow and results of operations of the Company's projects and anticipated future operations. Such a decline also could have a material adverse impact on the ability of the Company to finance the exploration and development of its existing and future mineral projects. A decline in these market prices may also require the Company to write-down its material reserves which would have a material adverse effect on the value of the Company's securities. Further, if revenue from nickel or cobalt sales declines, the Company may experience liquidity difficulties. The Company will also have to assess the economic impact of any sustained lower market prices on recoverability and therefore, on cut-off grades and the level of its mineral reserves and resources.</p> |

| Risk Category | Risk |
|----------------------------------|--|
| | <p>If the Company achieves success leading to production, the revenue it will derive through the sale of these metals exposes the potential income of the Company to price and exchange rate risks.</p> <p>Nickel, cobalt, rubidium and lithium prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for metals, technological advancements, forward selling activities and other macro-economic factors.</p> <p>Furthermore, international prices are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.</p> |
| Reliance on key personnel | <p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.</p> |

5.3 Industry specific

| Risk Category | Risk |
|---|--|
| Exploration Success | <p>The Company's mining tenements are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.</p> <p>There can be no assurance that exploration of the mining tenements, or any other licenses that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.</p> <p>There is no assurance that exploration or project studies by the Company will result in the definition of an economically viable mineral deposit or that the exploration tonnage estimates and conceptual project developments discussed in this Prospectus are able to be achieved.</p> <p>The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.</p> |
| Resource, Reserves and Exploration Targets | <p>The Company has identified a number of exploration targets based on geological mapping and interpretations, geophysical data, geochemical sampling and historical drilling. Insufficient data however, exists to provide certainty over the extent of the mineralisation. Whilst the Company intends to undertake additional exploratory work with the aim of defining an economic resource, no assurances can be given that additional exploration will result in the determination of a resource on any of the exploration targets identified. Even if a resource is identified no assurance can be provided that this can be economically extracted.</p> <p>Reserve and Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature Resource and Reserve estimates are</p> |

| Risk Category | Risk |
|----------------------|---|
| | imprecise and depend to some extent on interpretations which may prove to be inaccurate. |
| Operations | <p>The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and 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, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.</p> <p>No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.</p> |
| Environmental | <p>The operations and proposed activities of the Company are subject to Australian laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.</p> <p>Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or fires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.</p> <p>The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.</p> <p>Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.</p> |
| Land access | <p>Land the subject of the Company's tenements overlaps Crown land. The <i>Mining Act 1978</i> (WA) imposes prohibitions on prospecting, exploration and mining activities and restrictions on access to certain parts of mining tenements that overlap Crown land without the prior agreement of the occupier which commonly involves the tenement holder paying compensation to the occupier of the Crown land.</p> <p>Although the Company will be able to undertake its proposed activities on those parts of the granted tenements not covered by the prohibitions and pass over those parts of the tenements to which the restrictions do not apply, the Company should consider entering into access and compensation agreements with the occupiers of the Crown land upon commencement of those activities in the event further activities are or access is required on other areas of the tenements which are subject to prohibitions or restrictions.</p> <p>The Company is not aware of any improvements or other features on the land the subject of the tenements that would impact on the timing of the Company's initial proposed activities. In the event</p> |

| Risk Category | Risk |
|---------------------|---|
| | consent of the occupier is required for future activities and compensation is required there is a risk that those activities may be delayed until an agreement is reached, or, in the absence of agreement, a decision is made by the warden's court. This may result in alterations to the Company's plans which may, in turn, adversely affect the Company's operations. |
| Native title | <p>The 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 plan.</p> <p>The existence of a native title claim or an ILUA 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 Company must also comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken ahead of the commencement of mining operations.</p> |

5.4 General risks

| Risk Category | Risk |
|--------------------------|--|
| Economic | General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities. |
| Competition risk | The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business. |
| Market conditions | <p>Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> (a) general economic outlook; (b) introduction of tax reform or other new legislation; (c) interest rates and inflation rates; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; and (f) terrorism or other hostilities. <p>The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general 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.</p> |
| Litigation risks | The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation. |

| Risk Category | Risk |
|--|--|
| Dividends | Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company. |
| Taxation | <p>The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All existing and prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring New Options from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for New Options offered under this Prospectus.</p> |
| Economic conditions and other global or national issues | <p>General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, development and production activities, as well as on its ability to fund those activities.</p> <p>General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.</p> <p>Specifically, it should be noted that the current evolving conflict between Ukraine and Russia is impacting global macroeconomics and markets generally. The nature and extent of the effect of this conflict on the performance of the Company and the value of its Shares remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the conflict between Ukraine and Russia and overall impacts on global macroeconomics. Given the situation is continually evolving, the outcomes and consequences are inevitably uncertain.</p> |

5.5 Speculative investment

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

Existing and prospective investors should consider that an investment in the Company is highly speculative.

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

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

6. ADDITIONAL INFORMATION

6.1 Litigation

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

6.2 Continuous Disclosure Obligations

As set out in the Important Notices Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act. Accordingly, information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

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

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

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

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

| Date | Description of Announcement |
|-------------------|--------------------------------|
| 28 September 2023 | Appendix 4G |
| 28 September 2023 | Corporate Governance Statement |
| 28 September 2023 | Annual Report to Shareholders |

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

The announcements are also available through the Company's website at www.aldororesources.com.

6.3 Market price of shares

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

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

| | (\$) | Date |
|---------|---------|-------------------|
| Highest | \$0.28 | 17 August 2023 |
| Lowest | \$0.086 | 27 September 2023 |
| Last | \$0.086 | 27 September 2023 |

6.4 Interests of Directors

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

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

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

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

Security Holdings

Directors are not required under the Company's Constitution to hold any Securities to be eligible to act as a director. The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus and following completion of the Offers are set out in the tables below:

Date of this Prospectus

| Director | Shares | Options | Performance Rights |
|----------------------------|---------|-----------|--------------------|
| Troy Flannery ¹ | 450,000 | 2,075,000 | Nil |
| Mark Mitchell ² | Nil | 2,000,000 | Nil |
| Lincoln Ho ³ | 450,000 | 575,000 | Nil |
| Caigen Wang | Nil | Nil | Nil |

Notes:

- All Securities are held indirectly by Mr Flannery. All securities are held by Jack Rory Pty Ltd (of which Mr Flannery is a director), comprising:
 - 450,000 Shares;
 - 25,000 unquoted Options exercisable at \$0.30 each on or before 9 September 2024; and
 - 2,050,000 unquoted Options exercisable at \$0.25 each on or before 9 September 2026.
- Unquoted Options exercisable at \$0.25 each on or before 9 September 2026, held directly by Mr Mitchell.
- Comprising:
 - 300,000 Shares held directly by Mr Ho;
 - 150,000 Shares held indirectly by Saltus Corporate Pty Ltd <The LLPMH Investment A/C> (of which Mr Ho is a director);
 - 25,000 unquoted Options exercisable at \$0.30 each on or before 9 September 2024, held directly by Mr Ho; and
 - 550,000 unquoted Options exercisable at \$0.25 each on or before 9 September 2026, held directly by Mr Ho.

Completion of the Offers

| Director | Shares | Options | Performance Rights |
|----------------------------|---------|-----------|--------------------|
| Troy Flannery ¹ | 450,000 | 3,125,000 | Nil |
| Mark Mitchell | Nil | 2,000,000 | Nil |
| Lincoln Ho ² | 450,000 | 1,600,000 | Nil |
| Caigen Wang | Nil | Nil | Nil |

Notes:

- The Company proposes to seek Shareholder approval at the upcoming AGM for the issue of up to 1,050,000 New Options to Mr Flannery under the Director Offer.
- The Company proposes to seek Shareholder approval at the upcoming AGM for the issue of up to 1,025,000 New Options to Mr Ho under the Director Offer.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is determined by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.

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

The following table shows the total annual remuneration paid to the Directors as disclosed in the Company's 2023 Annual Report and proposed remuneration for the current financial year.

| Director | FY ended 30 June 2024 (Proposed) | FY ended 30 June 2023 | FY ended 30 June 2022 |
|---------------|-------------------------------------|-----------------------|------------------------|
| Troy Flannery | \$287,153 ¹ | \$96,755 ⁵ | \$78,300 ⁸ |
| Mark Mitchell | \$277,153 ² | \$90,126 ⁶ | \$14,850 ⁹ |
| Lincoln Ho | \$113,243 ³ | \$65,195 ⁷ | \$78,300 ¹⁰ |
| Caigen Wang | \$59,940 ⁴ | Nil | Nil |

Notes:

1. Comprising directors' salary of \$54,000, superannuation payments of \$5,940, consulting service fee of \$38,000, and share based payments of \$189,213.
2. Comprising directors' salary of \$54,000, superannuation payments of \$5,940, consulting service fee of \$28,000, and share based payments of \$189,213.
3. Comprising directors' salary of \$54,000, superannuation payments of \$5,940, consulting service fee of \$6,000, and share based payments of \$47,303.
4. Comprising directors' salary of \$54,000, and superannuation payments of \$5,940.
5. Comprising directors' salary of \$54,000, superannuation payments of \$5,670, and consulting service fee of \$37,085.
6. Comprising directors' salary of \$56,739, superannuation payments of \$5,958, and consulting service fee of \$27,429.
7. Comprising directors' salary of \$54,000, superannuation payments of \$5,670, and consulting service fee of \$5,525.
8. Comprising directors' salary of \$53,000, superannuation payments of \$5,300, and Placement cash bonus of \$20,000.
9. Comprising directors' salary of \$13,500, and superannuation payments of \$1,350.
10. Comprising directors' salary of \$53,000, superannuation payments of \$5,300, and Placement cash bonus of \$20,000.

6.5 Interests of Experts and Advisers

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

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or

- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

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

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

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

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

Steinepreis Paganin has acted as the Australian solicitors to the Company in respect of the Prospectus. The Company estimates it will pay Steinepreis Paganin \$10,000 (excluding GST and disbursements) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has [been paid fees totalling \$123,885 (excluding GST and disbursements) for legal services provided to the Company.

6.6 Consents

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

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
- (b) in light of the above, to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other

than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

6.7 Estimated Expenses of the Offers

The total expenses of the Offers are estimated to be approximately \$43,785 (excluding GST) and are expected to be applied towards the items set out in the table below:

| Item | Amount |
|---------------------------|-----------------|
| ASIC fees | \$3,206 |
| ASX fees | \$20,579 |
| Legal fees | \$10,000 |
| Share registry fees | \$5,000 |
| Printing and distribution | \$5,000 |
| Total | \$43,785 |

7. DIRECTORS' AUTHORISATION

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

In accordance with section 720 of the Corporations Act, each Director and Proposed Director has consented, and as at the date of this Prospectus has not withdrawn his consent, to the lodgement of this Prospectus with the ASIC.

GLOSSARY

\$ means an Australian dollar.

AGM means the upcoming Annual General Meeting to be held for the year ended 30 June 2023.

Applicant means an investor that applies for New Options pursuant to the Offers or who applies for Shortfall Options pursuant to the Shortfall Offer (as the context requires).

Application Form means the application form attached to or accompanying this Prospectus.

ASIC means Australian Securities & Investments Commission.

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

ASX Listing Rules means the official listing rules of ASX.

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

AWST means Australian Western Standard Time as observed in Perth, Western Australia.

Board means the board of Directors as constituted from time to time.

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

Closing Date means the date specified in the timetable in the Section 1 (unless extended or closed earlier).

Company means Aldoro Resources Ltd (ACN 622 990 809).

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

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

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

Director Offer means the offer of New Options to the Eligible Directors as set out in Section 2.2.

Eligible ARNO Optionholders has the meaning given in Section 2.1 and includes all Australian and New Zealand based holders of the Company's ARNO Class of Options.

Eligible Directors means those directors of the Company who are eligible to apply for New Options under the Director Offer, namely Troy Flannery and Lincoln Ho.

General Meeting means the meeting of Shareholders held on 17 July 2023.

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

Offers means the offer of New Options pursuant to the Option Placement Offer and Director Offer, as set out in Section 2.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Opening Date means the opening date of the Offers as set out in the indicative timetable in Section 1.

Option means an option to acquire a Share, including where the context requires, New Options.

Optionholder means a holder of an Option.

Option Placement has the meaning given in Section 2.1.

Option Placement Offer means the offer of New Options to the Eligible ARNO Optionholders as set out in Section 2.1.

Performance Rights means a performance right convertible into a Share upon the satisfaction of the relevant performance criteria.

Prospectus means this prospectus.

Section means a section of this Prospectus.

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

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

Shareholder means the holder of a Share.

Shortfall means the New Options not applied for under the Offers (if any).

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

Shortfall Options means those New Options issued pursuant to the Shortfall as set out in Section 2.9.