

CLEANSING NOTICE – NON-RENOUNCEABLE ENTITLEMENT OFFER

Caprice Resources Ltd (ASX: CRS) (**Company**) has announced today a capital raising of approximately \$1.9 million through:

- (a) a fully underwritten non-renounceable entitlement offer to raise up to approximately \$1.6 million (before costs) (**Entitlement Offer**); and
- (b) a placement to sophisticated and professional investors to raise up to approximately \$315,214 (before costs) (**Placement**).

Under the Entitlement Offer, eligible shareholders will be invited to subscribe for 2 fully paid ordinary shares (**New Shares**) for every 3 existing shares in the Company held as at 4.00pm (AWST) on 22 November 2023 (**Entitlement**) at an issue price of \$0.018 per New Share.

Further details of the Entitlement Offer are set out in the information booklet released on the Company's ASX market announcements platform today (**Information Booklet**).

Eligible shareholders who subscribe for their Entitlement in full are also eligible to apply for additional New Shares that are not subscribed for under the Entitlement Offer (**Top-Up Facility**). The allocation policy under the Top-Up Facility is detailed in the Information Booklet.

The Placement and Entitlement Offer are managed by CPS Capital Group Pty Ltd (ACN 088 055 636) (**CPS Capital**). The Entitlement Offer is fully underwritten by CPS Capital (**Underwriter**). Refer to the Information Booklet for a summary of the material terms and conditions of the underwriting, including the potential termination events. The Placement is not underwritten.

Notice under section 708AA(2)(f) of the Corporations Act

In respect of the Entitlement Offer, the Company advises:

1. The New Shares will be offered without disclosure under Part 6D.2 of the *Corporations Act 2001* (Cth) (**Corporations Act**).
2. This notice is given under section 708AA(2)(f) of the Corporations Act, as modified by applicable legislative instruments including *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*.
3. As at the date of this notice, the Company has complied with:
 - (a) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - (b) sections 674 and 674A of the Corporations Act.

As at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) or 708AA(9) of the Corporations Act, which is required to be set out under section 708AA(7) of the Corporations Act.

4. The potential effect that the issue of the New Shares will have on the control of the Company, and the consequences of that effect, is set out below.

- (a) Given the structure of the Entitlement Offer as a pro-rata offer, if all eligible shareholders of the Company take up their Entitlements, the ownership interest (and voting power) in the Company of each eligible shareholder of the Company will remain largely unchanged and the effect on the control of the Company will be negligible. However, the Company will also undertake the Placement to raise gross proceeds of approximately \$315,214. New fully paid ordinary shares in the Company issued under the Placement will represent approximately 7.8% of the fully paid ordinary shares on issue in the Company following completion of both the Placement and the Entitlement Offer.¹ Accordingly, existing shareholders of the Company will be diluted because of the Placement, even if they take up their Entitlements under the Entitlement Offer (but subject to any subscription for additional New Shares under the Top-Up Facility). Having regard to the current substantial holders of the Company and, in particular, the voting power of those substantial holders and the relevant statutory caps on the voting power of shareholders, the board of directors of the Company does not consider that the Placement will have any material impact on the control of the Company.
- (b) To the extent that any eligible shareholder of the Company fails to take up their Entitlement in full, the percentage holding in the Company of that eligible shareholder of the Company will be diluted by those other eligible shareholders of the Company who take up some of their Entitlements, all of their Entitlements or more than their Entitlements (under the Top-Up Facility), or participate in the Placement. If no eligible shareholders of the Company take up their Entitlements (which the board of directors of the Company considers unlikely), then the Underwriter will be required to subscribe, or procure subscriptions from others, for the shortfall shares under the Entitlement Offer (subject to the terms of the underwriting agreement). In these circumstances, the maximum theoretical increase in voting power of the Underwriter (or any sub-underwriter) will be approximately 40%.² However, as the Underwriter's obligations will be at least partially sub-underwritten, the board of directors of the Company considers that the Entitlement Offer will not have any material impact on the control of the Company. Further, having regard to the sub-underwriting arrangements, even if a substantial shortfall arose, the board of directors of the Company does not consider that there would be a material impact on the control of the Company.
- (c) The voting power in the Company of ineligible foreign shareholders of the Company will be diluted as a result of the Entitlement Offer and the Placement.

Authorised for release by the Board.

David Church

Non-Executive Chair

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¹ The shares issued under the Placement will be issued before the Record Date, and as such participants in the Placement will be eligible to participate in the Entitlement Offer.

² Having regard to the anticipated number of shares in the Company on issue following completion of the Entitlement Offer, and subject to rounding.