



HazerGroupTM

Options Prospectus

Hazer Group Limited ACN 144 044 600

An offer of up to 2,000,000 HZRO Class Options (**SPP Options**) to certain existing Shareholders of the Company (**Eligible Shareholders**) on the basis of one free-attaching SPP Option for every four SPP Shares issued, pursuant to the Company's SPP Offer (**SPP Options Offer**).

This document is important and it should be read in its entirety

If you are in any doubt as to the contents of this document, you should consult your stockbroker, solicitor, banker, financial adviser or accountant as soon as possible. The Securities offered by this Prospectus are considered to be speculative.

THIS OFFER IS NOT UNDERWRITTEN

This is a transaction-specific prospectus issued in accordance with section 713 of the *Corporations Act 2001* (Cth).

Not for release to US wire services or distribution in the United States

Important information

SPP Options Offer statistics

Number of SPP Options	up to 2,000,000
SPP Options details	<p>HZRO Class Options, exercisable at \$0.75 each and expiring on 28 February 2025.</p> <p>The SPP Options will be issued on the basis of one SPP Option for every four SPP Shares subscribed for and issued under the SPP. Application will be made for these SPP Options to be quoted on ASX, adding to the existing class of quoted HZRO Class Options already on issue.</p>

Key dates for investors

Record Date for the SPP	7:00pm (AEDT) Friday, 16 February 2024
Lodgement of Prospectus with ASIC	Tuesday, 20 February 2024
Dispatch of Prospectus to Shareholders	Tuesday, 20 February 2024
Opening Date of the SPP	Tuesday, 20 February 2024
Closing Date of the SPP	7:00pm (AEDT) on Friday, 15 March 2024
Announcement of results of the SPP Offer	Tuesday, 19 March 2024
Issue of SPP Options under the SPP	Wednesday, 20 March 2024
Expected date for despatch of holding statements¹	Wednesday, 20 March 2024

Notes:

1. The dates set out in this table are subject to change and are indicative only. The Company reserves the right to alter this timetable at any time without notice. Hazer may close the Offer early, withdraw the Offer, or accept late applications. In that event, the relevant Application Money (without interest) will be returned in full to SPP Participants.
2. If the holdings statements do not contain the Exercise Price and Expiry Date of the SPP Options, the Company will issue a statement with that information within 5 business days after the holding statement is sent.

Further details regarding the timetable for the Offer are set out in section 2.5. All dates are subject to change and accordingly are indicative only. Investors are encouraged to accept the SPP Options Offer by paying for SPP Shares using the instructions on the personalised Application Form under the SPP as soon as possible after the Offer opens.

Subject to the requirements of the Listing Rules and the Corporations Act, the Directors reserve the right to:

- withdraw the Offer; or
- vary any of the key dates set out in this Prospectus, including by extending the Offer, without prior notice.

Important notice

This Prospectus is dated 20 February 2024 and was lodged with the ASIC on the same date. Neither ASIC nor ASX takes any responsibility as to the contents of this Prospectus. No Securities will be issued on the basis of this Prospectus any later than 13 months after the date of issue of this Prospectus.

This Prospectus contains an offer to Eligible Shareholders of continuously quoted Securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. The Company will apply for Official Quotation of the SPP Options on ASX.

The SPP Options offered by this Prospectus should be considered speculative. Please refer to section 4 for details relating to investment risks.

A copy of this Prospectus is available for inspection at the registered office of the Company at Level 9, 99 St Georges Terrace, Perth WA 6000, during normal business hours. The Prospectus will also be made available in electronic form.

Applications made under the SPP will be taken to constitute acceptance of the terms of the SPP Options Offer pursuant to the terms of this Prospectus.

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

The information provided in this Prospectus is not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. If you have any questions, you should seek professional advice before deciding to invest. An investment in Securities offered under this Prospectus should be considered speculative.

Transaction-specific Prospectus

This is a transaction-specific prospectus for an offer of options to acquire continuously quoted Securities (as defined in the Corporations Act, issued in accordance with section 713 of the Corporations Act). It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers that potential investors may consult.

This Prospectus is available in electronic form on the internet at www.hazergroup.com.au. If you wish to obtain a free copy of this Prospectus, please contact the Share Registry on 1300 101 297 (within Australia) or +61 2 9068 1929 (outside Australia) between 8:30am and 7:00pm (AEDT) time Monday to Friday.

ASIC Instrument on Share Purchase Plans

In certain circumstances, a listed company may undertake a share purchase plan in accordance with *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (ASIC Instrument)*. This ASIC Instrument allows a share purchase plan to be conducted without the use of a prospectus once in any consecutive 12-month period.

Since the SPP Options to be issued under the SPP Options Offer are not Shares, the Company cannot rely on the ASIC Instrument in offering these Securities under the SPP. Accordingly, the Company is offering the SPP Options under this Prospectus.

Foreign Shareholders

The Company has decided that it is unreasonable to make the SPP Options Offer to Shareholders with registered addresses outside of Australia, New Zealand, Hong Kong and Singapore having regard to the number of Shareholders in those places, the number and value of the SPP Shares they would be entitled to subscribe for and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the SPP Options Offer is not being extended to, and does not qualify for distribution or sale by, and no SPP Options will be issued to Shareholders having registered addresses outside of Australia, New Zealand, Hong Kong and Singapore.

The Company has not made any investigation as to the regulatory requirements that may prevail in the countries, outside of Australia, New Zealand, Hong Kong and Singapore, in which the Company's Shareholders may reside. It is the responsibility of overseas SPP Participants to ensure compliance with all laws of any country relevant to their Acceptance. The SPP Options Offer may only be accepted by Eligible Shareholders and does not constitute an offer in any place in which or to any person to whom, it would be unlawful to make such an offer.

The distribution of this Prospectus in jurisdictions outside of Australia, New Zealand, Hong Kong and Singapore may be restricted by law and persons who come into possession of this Prospectus should observe those restrictions, including those set forth in this Prospectus. In particular, this Prospectus may not be distributed outside Australia, New Zealand, Hong Kong or Singapore without the consent of the Company. Any failure to comply with restrictions might constitute a violation of applicable securities laws.

See section 2.13 for further information on restrictions with respect to Shareholders who do not have registered addresses in Australia.

This document does not constitute an offer of SPP Options in any jurisdiction in which it would be unlawful. SPP Options may not be offered or sold in any country outside Australia except to the extent permitted below.

New Zealand

The SPP Options are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the *Financial Markets Conduct (Incidental Offer) Exemption Notice 2021 (New Zealand)*.

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

Hong Kong

WARNING: This Prospectus may be distributed in Hong Kong only to existing Shareholders of the Company. This Prospectus may not be distributed, published, reproduced or disclosed (in whole or in part) to any other person in Hong Kong or used for any purpose in Hong Kong other than in connection with the recipient's consideration of the Offer.

You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

This Prospectus has not been reviewed by any Hong Kong regulatory authority. In particular, this Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of the Laws of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong under Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong.

Singapore

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

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

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

United States

This Prospectus may not be released to US wire services or distributed in the United States. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this Prospectus have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

Applications

How to apply under the SPP Options Offer

Eligible Shareholders can apply to participate in the SPP Options Offer by completing payment for SPP Shares in accordance with the instructions set out in the SPP Booklet. Applications under the SPP will also be taken to constitute acceptance of the terms of the SPP Options Offer pursuant to the terms of this Prospectus.

Enquiries

If you are an Eligible Shareholder and have any questions in relation to the Offer, please contact your stockbroker or professional adviser. If you have questions regarding how to apply, please call the Share Registry on:

- 1300 101 297 for callers within Australia; or
- +61 2 9068 1929 for overseas callers,

between 8:30am and 7:00pm (AEDT time) Monday to Friday.

Deciding to accept the Offer

No person named in this Prospectus, nor any other person, guarantees the performance of Hazer, the repayment of capital or the payment of a return on the SPP Options.

Please read this Prospectus carefully before you make a decision to invest. An investment in the Company has a number of specific risks which you should consider before making a decision to invest. Some of these risks are summarised in section 1.4 of this Prospectus and set out in more detail in section 4 of this Prospectus. This Prospectus is an important document and you should read it in full before deciding whether to invest pursuant to the Offer. You should also have regard to other publicly available information about the Company, including ASX announcements, which can be found at the Company's website: www.hazergroup.com.au.

No exposure period applies to this Prospectus by operation of the Corporations Act and ASIC Instrument.

Terms used

A number of terms and abbreviations used in this Prospectus have defined meanings, which are explained in the definitions and glossary in section 6.

Money as expressed in this Prospectus is in Australian dollars unless otherwise indicated.

Forward looking statements

Some of the information contained in this Prospectus constitutes forward-looking statements that are subject to various risks and uncertainties. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'should', 'will', 'expects', 'plans' or similar expressions. These statements discuss future objectives or expectations concerning results of operations or financial conditions or provide other forward-looking information. The Company's actual results, performance or achievements could be significantly different from the results or objectives expressed in, or implied by, those forward-looking statements. This Prospectus details some important factors that could cause the Company's actual results to differ from the forward-looking statements made in this Prospectus.

No representations

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation in connection with the Offer not contained in this Prospectus may not be relied on as having been authorised by the Company or its officers. This Prospectus does not provide investment advice or advice on the taxation consequences of accepting the Offer. The Offer and the information in this Prospectus, do not take into account your investment objectives, financial situation and particular needs (including financial and tax issues) as an investor.

Target Market Determination

A Target Market Determination in respect of the SPP Options offered under this Prospectus has been prepared by the Company as required under section 994B of the Corporations Act and is available on the Company's website at www.hazergroup.com.au. Please refer to section 5.23 for further information in respect of the Target Market Determination.

Table of Contents

1. Investment summary 10

2. Details of the Offer 17

3. Effect of the Offer on the Company..... 26

4. Risk factors..... 29

5. Additional information..... 36

6. Definitions and glossary 50

Letter to Shareholders

20 February 2024

Dear Shareholders,

It is my pleasure to introduce this Prospectus and invite you to participate in the Company's offer of SPP Options as outlined in this document.

On 20 February 2024, the Company announced the completion of a placement of 18,000,000 new Shares (**Placement Shares**) to sophisticated and professional investors at an issue price of \$0.50 per Share with one free-attaching HZRO Class Option for every four Shares issued (exercisable at \$0.75 per HZRO Class Option and expiring on 28 February 2025), to raise a total of \$9,000,000 (before costs) (**Placement**).

The Placement was strongly supported domestically and internationally by new and existing institutional and sophisticated investors.

In conjunction with the announcement of the Placement, the Company also announced a Share Purchase Plan (**SPP**) to be made available to eligible Shareholders of the Company (**Eligible Shareholders**). The SPP is being undertaken to enable Eligible Shareholders the opportunity to acquire Shares on the same terms as the Placement without paying brokerage fees or other transaction costs, irrespective of their holding size. The offer of SPP Shares is being made under the SPP Booklet pursuant to the *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547* and is a separate offer to the SPP Options Offer being offered under this Prospectus.

Eligible Shareholders who participate in the SPP will receive one free-attaching HZRO Class Option (**SPP Options**) for every four SPP Shares subscribed for and issued under the SPP. The SPP Options are exercisable for \$0.75 any time before the Expiry Date, being 28 February 2025.

Participation in the SPP will allow Eligible Shareholders to increase their investment in Hazer Group Limited and thereby reduce the dilutionary impact of the Placement on their holdings.

The SPP Offer is expected to raise approximately \$4,000,000. In the event of oversubscription, the Directors reserve the right to accept oversubscriptions as they deem appropriate but not exceeding the threshold of \$30,000 per holder under the SPP. The Directors may also, in their absolute discretion, decide to increase or decrease the amount to be raised under the SPP or scale-back applications on an equitable basis. The SPP Offer is not underwritten.

The SPP Options Offer is available to those Shareholders with a registered address in Australia, New Zealand, Hong Kong and Singapore and who participate in the SPP as at 7.00pm (AEDT) on Friday, 16 February 2024 (**Record Date**).

The SPP Options are free-attaching HZRO Class Options. Accordingly, if the SPP Options are exercised the Company would raise an additional \$1,500,000 on the basis of the Exercise Price of \$0.75. Note that the 5-day volume-weighted average Share price of Hazer was \$0.559 as at the last trading day before the announcement of the Offer on 19 February 2024.

It is proposed that the funds raised from the Placement and SPP will be primarily used to advance Hazer process technology following operational startup of the Commercial Demonstration Plant and to support the current and new commercial projects and licensing opportunities.

Please refer to the timetable for the important dates of the Offer.

On behalf of the Directors, I thank you for your continued support and I invite you to consider this investment opportunity.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Glenn Corrie', with a long horizontal flourish extending to the right.

Glenn Corrie
CEO & Managing Director
Hazer Group Limited

1. Investment summary

The information set out in this section is not intended to be comprehensive and should be read in conjunction with the full text of this Prospectus.

1.1 Key aspects of the Offer

What is the Offer?	<p>The SPP Options Offer is an offer of up to 2,000,000 HZRO Class Options to Eligible Shareholders on the basis of one free-attaching HZRO Class Option for every four Shares subscribed for and issued under the SPP.</p> <p>The SPP Options Offer is an offer to Eligible Shareholders who participate in the SPP and are issued SPP Shares. In the event of oversubscription, the Directors reserve the right to accept oversubscriptions as they deem appropriate but not exceeding the threshold of \$30,000 per holder under the SPP. The Directors may also, in their absolute discretion, decide to increase or decrease the amount to be raised under the SPP or scale back applications on an equitable basis.</p> <p>The SPP Offer is not underwritten.</p>
Maximum number of SPP Options under the SPP Options Offer	2,000,000
Purpose of the SPP Options Offer	<p>The purpose of the SPP Options Offer is to issue the free-attaching SPP Options related to the SPP Shares that are issued and thereby complete the SPP to Eligible Shareholders.</p> <p>This Prospectus has also been issued to facilitate secondary trading of the Resulting Shares to be issued upon exercise of the SPP Options and to facilitate the quotation of the SPP Options.</p>
Terms of the SPP Options	<p>The SPP Options have the following key terms:</p> <ul style="list-style-type: none">• the Exercise Price of each SPP Option is \$0.75;• each SPP Option will expire on 28 February 2025; and• no issue price is payable for the SPP Options as they are free-attaching Options to be issued to the SPP Participants on the basis of one SPP Option for every four SPP Shares issued pursuant to the SPP Offer.
Total funds raised from the Offer	If the SPP Offer is fully subscribed and all of the SPP Options are issued to Eligible Shareholders, the Company will raise up to \$1,500,000 from the exercise of the SPP Options issued under this Prospectus.
Terms of the SPP Options	<p>Upon issue:</p> <ul style="list-style-type: none">• each SPP Option will rank equally with all existing HZRO Class Options then on issue; and• any Resulting Shares from the exercise of the SPP Options will rank equally with all existing Shares then on issue. <p>A summary of the rights attaching to the SPP Options and Resulting Shares is set out in sections 5.6 and 5.7 respectively.</p>

	<p>Since the SPP Options are free-attaching Options (to the SPP Shares issued under the SPP), the total price payable for the Shares issued upon the exercise of the SPP Options (Resulting Shares) is equivalent to the Exercise Price. This compares to the 5-day volume-weighted average price for Shares being \$0.559 as at the last trading day before the announcement of the Offer on 19 February 2024.</p> <p>The Company intends to apply to the ASX for the SPP Options to be granted Official Quotation on the ASX, which is expected to occur on or about 20 March 2024.</p>
Resulting Share terms	<p>A summary of the rights attaching to the Shares issued upon exercise of the SPP Options (Resulting Shares) is set out in section 5.7. Each Resulting Share will rank equally with all existing Shares then on issue.</p>
Participating in the SPP Options Offer	<p>Applications under the SPP will also be taken to constitute acceptance of the terms of the SPP Options Offer pursuant to the terms of this Prospectus. To participate in the SPP Options Offer, Eligible Shareholders can apply to participate in the SPP Options Offer by completing payment for SPP Shares in accordance with the instructions set out in the SPP Booklet before 7:00pm (AEDT) on Friday, 15 March 2024. Please refer to the timetable for the important dates of the Offer.</p> <p>As the SPP Options to be issued under this Prospectus will be issued to Eligible Shareholders for no additional consideration, no Application Money for SPP Options is required to be paid under this Prospectus.</p>
Scale-back	<p>The Directors may, in their absolute discretion, decide to increase or decrease the amount to be raised under the SPP or scale-back applications on an equitable basis. If the Company rejects or scales-back an Application or purported Application, the Company will promptly return to the Shareholder the relevant Application Monies, without interest. Scale-back for SPP Shares held by Custodians will be applied at the level of the underlying beneficiary.</p> <p>It will be the responsibility of Eligible Shareholders who apply for Securities under the SPP Options Offer to ensure that any exercise of SPP Options allocated and issued to them does not result in that person, or their associates, acquiring a relevant interest in the Company of not more than 19.99% (subject to a number of exemptions).</p> <p>Refer to section 2.6 for more information with respect to the allocation of the SPP Options.</p>
Shortfall	<p>The Directors reserve the right to issue any SPP Shares not allocated under the SPP Offer (Shortfall) in their discretion in compliance with the Corporations Act and as contemplated within the Listing Rules.</p>
Risks	<p>Shareholders should be aware that an investment in the Company involves risks. The key risks identified by the Company are summarised in section 1.4 and set out in section 4 of this Prospectus.</p>

1.2 Dilution of Shareholder's interests

It is not expected that the Offer will have any effect on the control of the Company. A substantial number of SPP Options may be issued under the Offer. Whilst not all the SPP Options may be exercised, the interests of Shareholders will be diluted gradually as a result of the exercise of those SPP Options. Further information in relation to this is contained in sections 3.2 and 3.4.

Participation in the SPP Options Offer may also result in existing Shareholders or new investors significantly increasing their interest in the Company or obtaining a substantial interest in the Company upon exercise of any SPP Options issued under the Offer.

1.3 Use of funds

No funds will be raised as a result of the SPP Options Offer.

The Directors intend to apply the proceeds from the Placement and SPP (together with its existing cash resources) for the purposes of:

- (a) advancing Hazer process technology following operational startup of the Company's Commercial Demonstration Plant (**CDP**) and to support the current and new commercial projects and licensing opportunities;
- (b) commercial projects delivery and future growth portfolio development;
- (c) the costs of the Offer, the SPP and the Placement; and
- (d) general working capital.

1.4 Risk factors

Investing in the Company involves risk. There are a range of factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance of the Company. Some of these factors can be mitigated by appropriate commercial action. However, many are outside the control of the Company, dependent on the policies adopted and approaches taken by regulatory authorities or cannot otherwise be mitigated.

Prior to making any decision to subscribe for SPP Options, you should carefully consider the risk factors applicable to the Company which are set out below. If you still are unsure about subscribing for SPP Options, you should first seek advice from your stockbroker, accountant, financial or other professional adviser.

The below table sets out a summary of some of the key risks relevant to the Company and its operations. The risks described below are not to be taken as exhaustive. The specific risks considered, and others not specifically referred to, may in the future materially affect the financial performance of the Company and the value of the SPP Options offered under this Prospectus.

Risk	Details
Technology development and commercialisation risk	The Company has the intellectual property rights to the Hazer Process [®] . A material risk is whether the Hazer Process [®] can be scaled up to large commercial plants to produce graphitic carbon and high purity hydrogen consistently and reliably. The Company has built the Commercial Demonstration Plant to demonstrate the Hazer Process [®] on a continuous basis at industrial scale. The Commercial Demonstration Plant commenced operations in January 2024. There

Risk	Details
	<p>may be a material adverse impact on the Company's business objectives, operating and financial performance if the Commercial Demonstration Plant does not operate as intended. The Company is actively managing this risk through focused engineering and design work, process engineering and a research and development program. Whilst the Directors and management work to anticipate, identify and manage the risks inherent in the scale-up of the Hazer Process® and the operation of the Commercial Demonstration Plant, no assurance can be given that the Directors or management will be successful in these endeavours.</p>
Operational risks	<p>The Commercial Demonstration Plant and future commercial plants may be adversely affected by a range of technological and operational factors, including unanticipated operational and technical difficulties encountered in scaling up and production activities; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated reactor issues which may affect through-put; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.</p>
Future funding risk	<p>At the date of this Prospectus, the Company does not have any income-producing assets and therefore has not yet generated any revenue or profits. Until the Company is able to develop a project to generate appropriate cashflow, it is dependent upon being able to obtain future equity or debt funding to support the scale up of the Hazer Process®. Neither the Company nor any of the Directors nor any other party can provide any guarantee or assurance that any required future funding can be raised on terms acceptable to the Company.</p> <p>Also, no guarantee or assurance can be given as to when a project can be developed to the stage where it will generate positive cashflow. Any such project would be dependent on many factors, for example, scale up success, plant development and design, commissioning, and operational performance.</p> <p>If the Company is unable to obtain additional funding as needed, it may be required to reduce the scope of its operations and/or scale back its expansion and development programs as the case may be.</p>
Strategic partner risk	<p>The Company's strategy is to collaborate with strategic partners to scale up and develop hydrogen facilities using the Hazer Process® in its target markets of North America, Asia and Europe. The Company currently has non-binding memorandums of understanding for projects in Canada, France and Japan.</p> <p>Each of these projects are at different stages of development and design. No assurance can be given that the Company will secure binding agreements with these strategic partners on appropriate terms or at all, or that the proposed hydrogen facilities will be completed.</p> <p>The Company is seeking to secure other strategic partners in the target markets. While the Company has had positive discussions with a number of potential partners, negotiations are ongoing and there is no guarantee that the Company will secure agreements with other partners.</p>
Supply contracts/customer engagement risk	<p>To successfully commercialise Hazer Process®, the Company will need to secure technology licensing and royalty agreements, related catalyst and services agreements, and/or bulk graphite sales</p>

Risk	Details
	agreements with customers to generate revenue. This will require customer engagement and the execution of relevant contracts. No customer agreements are currently in place.
Industry risk	There is projected to be significant investment in hydrogen projects around the world over the coming years. The effects of this investment are currently unknown. Industry investment could have a significantly positive, or a significantly negative, effect on the Company's operations and achievement of its intended business objectives. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may, positively or negatively, affect the operating and financial performance of the Company's business.
Government policy change risk	Shifts in government policy concerning the hydrogen industry could impact the Company's operational and financial performance. This could range from new regulations associated with the transitioning to a lower carbon economy, emerging regulatory frameworks and changing grant criteria directed towards renewable energy (electrolysis) produced hydrogen. These could result in the loss or reduction in grant funding or industry incentives, preventing development in the areas or jurisdictions in which the Company operates. Such changes could have a material adverse effect on the viability of a project or the business of the Company generally.
Tax law risk	<p>The Company has claimed and continues to intend to claim a refundable tax offset for eligible expenditure under the research and development (R&D) tax incentive scheme while it is able to do so. Changes in tax law, or changes in the way tax laws are interpreted (and in particular the R&D tax incentive scheme) may impact the ability of the Company to claim the R&D rebate and which may have a consequent impact on the Company's financial condition.</p> <p>There is a risk that the tax authorities may review the tax treatment of the Company's business and activities, and any transactions entered into by the Company now or in the future. Any actual or alleged failure to comply with, or any change in the application or interpretation of, tax rules applied in respect of such transactions, may increase the Company's tax liabilities or expose it to legal, regulatory or other actions. To minimise this risk the Company obtains external expert advice to perform a detailed review of the Company's total R&D expenditure to determine the potential claim under the R&D tax incentive legislation.</p>
Intellectual property risk	The Company has obtained a number of patents in relation to the Hazer Process [®] . The strength of these patents involves complex legal and scientific questions and can be uncertain. No assurance can be given that the Company's patents will afford the Company commercially significant protection of the Hazer Process [®] or that competitors will not develop competing technologies that circumvents such patents.

Risk	Details
Key personnel risk	The Company's future value will depend in part on the performance of its Directors, senior management and other key personnel. There is a risk that the Company may not be able to retain or hire all personnel necessary for the development and operations of its business, which may have a material adverse impact on the Company and its operations.
Management of growth	There is a risk that management of the Company will not be able to implement the Company's growth strategy. The capacity of the management to properly implement and manage the strategic direction of the Company may affect the Company's financial performance.
Insurance	The Company intends to maintain appropriate insurance to cover its activities, however no assurance can be given that such insurance will be available on commercially reasonable terms or that any cover will be adequate and able to cover all potential claims. Insurance may not always be available for all aspects of the Company's operations. Where the Company suffers loss and does not carry adequate insurance, the Company may be exposed to material uninsured losses, which may have a material adverse impact on the viability of a project or the Company's business and financial condition generally.
Jurisdiction risk	The Company is currently collaborating with strategic partners to develop hydrogen facilities in Canada, Japan and France. As these projects develop the Company will be exposed to the risk of operating in each of these jurisdictions, and any other jurisdictions outside of Australia where it may develop future projects. These risks may include legal complications, taxation risks, exchange rate risks and geopolitical risks. The Company has engaged in-country consultants to provide expert advice to manage these risks.
Legal and regulatory risk	<p>The Company must comply with the legislation and regulatory frameworks in each of the jurisdictions in which it operates. A failure to do so could result in suspension or loss of permits or licenses as well as financial penalties, which could impact the Company's ability to scale up the Hazer Process® and which may affect the Company's operational and financial performance.</p> <p>Changes to laws and regulations in the future may provide for more onerous conditions with which the Company must comply. Any material adverse change in relevant laws or regulations may impact the Company's operational and financial performance.</p>
Environmental risk	<p>Operations at the Commercial Demonstration Plant are subject to environmental regulation under a range of Western Australian and Commonwealth laws and regulations. The Company's operations are undertaken in a responsible manner with appropriate resourcing to manage compliance.</p> <p>Despite this there is a risk that the Company's operations may cause harm to the environment due to an unexpected occurrence. Depending on the circumstances the Company may suffer reputational damage, may have an obligation to remediate the damage and may have its licences to operate suspended or revoked, all of which may have a material adverse effect on the business of the Company.</p>

Further details regarding risks which may affect the Company in the future are set out in section 4.

The SPP Options offered under this Prospectus carry no guarantee of profitability, dividends or return of capital. The past performance of the Company should not necessarily be considered a guide to their future performance.

1.5 Directors' intentions in respect of the SPP Offer and participation in the Placement

As at the date of this Prospectus, the Directors of Hazer have either a direct or indirect interest in Shares. Accordingly, each Director is entitled to participate in the SPP up to the Maximum Subscription, however none of the Directors intend to participate in the SPP. All of the Directors (other than Andrew Hinkly) have participated in the Placement, subject to Shareholder approval. The table below sets out each Directors' participation in the Placement (subject to Shareholder approval).

Director	Current Shares ¹	Participation in Placement (\$) ³	Placement Shares on completion of the Placement	Placement Options on completion of the Placement
Tim Goldsmith	2,049,071	250,000	500,000	125,000
Glenn Corrie	358,660	135,000	270,000	67,500
Danielle Lee	810,597	50,000	100,000	25,000
John (Jack) Hamilton	453,265	105,000	210,000	52,500
Andrew Hinkly	10,445,901 ²	-	-	-

Notes:

1. Details of Options held by the Directors are set out in section 5.9.
2. Mr Hinkly holds an indirect interest in all of these Shares, on the basis they are held by AP Ventures, which is a major Shareholder in the Company. Mr Hinkly is the Managing Partner of AP Ventures.
3. Participation of the Directors in the Placement is subject to Shareholder approval which is expected to be obtained at a general meeting to be held in April 2024.

1.6 Joint Lead Managers

Viriathus Capital Pty Ltd and Bell Potter Securities Limited have been appointed as the joint lead managers to the Offer. Further details of the terms of appointment are set out in section 5.14. The Offer is not underwritten.

2. Details of the Offer

2.1 Overview of the Offer

On 19 February 2024, the Company announced a proposed \$13,000,000 capital raising to be undertaken via the completion of:

- (a) a placement of 18,000,000 Shares (**Placement Shares**) to sophisticated, professional, and institutional investors (**Placement Participants**) at an issue price of \$0.50 per Placement Share, to raise a total of \$9,000,000 (before costs), plus 4,500,000 free-attaching HZRO Class Options (**Placement Options**) to be issued on the basis of one Placement Option for every four Placement Shares issued to Placement Participants (**Placement**); and
- (b) an issue of up to 8,000,000 Shares (**SPP Shares**) to participating Eligible Shareholders (**SPP Participants**) under a share purchase plan (**SPP**) at an issue price of \$0.50 per SPP Share (**Offer Price**), to raise up to \$4,000,000 (before costs), plus 2,000,000 free-attaching HZRO Class Options (**SPP Options**) to be issued on the basis of one SPP Option for every four SPP Shares issued to SPP Participants (**SPP Offer**).

The Company expects to issue the above Placement Shares, Placement Options, and SPP Options using the Company's placement capacity under Listing Rules 7.1.

2.2 Share Purchase Plan

The SPP Offer opened on 20 February 2024 and is being conducted pursuant to offer booklet issued in accordance with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (**SPP Booklet**).

Assuming the SPP Offer is fully subscribed, the Company will issue a total of 8,000,000 SPP Shares at the Offer Price and 2,000,000 SPP Options to raise \$4,000,000 (before costs and excluding any funds raised from the exercise of the SPP Options).

Under the SPP Booklet, each Eligible Shareholder will be entitled to apply for SPP Shares regardless of the number of Shares held by that Eligible Shareholder, in one of the following amounts:

- 60,000 SPP Shares for \$30,000 (**Maximum Subscription**);
- 50,000 SPP Shares for \$25,000;
- 40,000 SPP Shares for \$20,000;
- 30,000 SPP Shares for \$15,000;
- 20,000 SPP Shares for \$10,000;
- 10,000 SPP Shares for \$5,000;
- 4,000 SPP Shares for \$2,000; and
- 2,000 SPP Shares for \$1,000 (**Minimum Subscription**).

The Directors may, in their absolute discretion, decide to increase or decrease the amount to be raised under the SPP or scale-back applications on an equitable basis. If the Company rejects or scales-back an application or purported application, the Company will promptly

return to the Shareholder the relevant Application Monies, without interest. Scale-back for SPP Shares held by Custodians will be applied at the level of the underlying beneficiary. The SPP is not underwritten.

Only those Shareholders shown on the Share Register at 7:00pm (AEDT) on the Record Date with a registered address in an Eligible Jurisdiction are entitled to participate in the SPP Options Offer.

By this Prospectus, SPP Participants are also being offered one SPP Option for every four SPP Shares subscribed for and issued under the SPP Offer for no additional consideration. The SPP Options are exercisable for \$0.75 any time before the Expiry Date, being 28 February 2025. The SPP Options offered under this Prospectus are an existing class of quoted Securities of the Company, being HZRO Class Options first offered to Shareholders pursuant to the Company's prospectus dated 31 July 2023.

Only SPP Participants who participate in the SPP are eligible to participate in the SPP Options Offer pursuant to this Prospectus.

The SPP Shares offered under the SPP Booklet will rank equally with the Shares on issue at the date of this Prospectus.

The SPP Options offered under this Prospectus will be issued on the terms and conditions set out in section 5.6 to this Prospectus. All Resulting Shares issued on conversion of the SPP Options will rank equally with the Shares on issue at the date of this Prospectus.

Eligible Shareholders should be aware that an investment in the Company involves risks. The key risks identified by the Company are set out in section 4 of this Prospectus.

Eligible Shareholders may apply for SPP Shares under the SPP but are not required to do so. However, participation in the SPP will allow the Eligible Shareholders to increase their investment in Hazer Group Limited and thereby reduce the dilutionary impact of the Placement on their holdings. Eligible Shareholders who do not participate in the SPP will have their percentage shareholding in Company further diluted as a result of the SPP Offer.

2.3 SPP Options Offer

The SPP Options Offer under this Prospectus is an offer of one (1) free-attaching SPP Option for every four (4) Shares subscribed for and issued under the SPP.

Based on the maximum number of Shares to be issued under the SPP, 2,000,000 SPP Options may be issued under the SPP Options Offer (where the determination of an SPP Participant's entitlement to SPP Options under the SPP results in a fraction, such fraction will be rounded down to the nearest to the nearest whole SPP Option). No funds will be raised from the issue of the SPP Options.

The SPP Options offered under the SPP Options Offer are exercisable at \$0.75 and expire on 28 February 2025, being an existing class of quoted Securities (ASX code HZRO), and otherwise on the terms set out in section 5.6.

All of the Resulting Shares issued upon exercise of the SPP Options will rank equally with the Shares on issue at the date of this Prospectus. Please refer to section 5.7 for further information regarding the rights and liabilities attaching to the Resulting Shares.

2.4 Purpose of the Prospectus

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

The Corporations Act provides an exception to section 707(3) where an entity issues a 'cleansing' notice under section 708A(5) of the Corporations Act. However, the Company is precluded from issuing a 'cleansing' notice in respect of the SPP Options as they are being offered to retail investors. The Company is also unable to rely on disclosure relief provided by *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547* as it doesn't extend to the offer of options under a share purchase plan.

Consequently, the Company has issued this Prospectus for the offer of SPP Options to the SPP Participants.

This Prospectus has also been issued to facilitate secondary trading of the Resulting Shares to be issued upon exercise of the SPP Options. Issuing the SPP Options under this Prospectus will enable persons who are issued the SPP Options to on-sell the Resulting Shares issued on exercise of the SPP Options pursuant to *ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80*.

Accordingly, the purpose of this Prospectus is to:

- (a) make the offers of SPP Options under the SPP Options Offer; and
- (b) ensure that the on-sale of the Resulting Shares issued on conversion of the SPP Options do not breach section 707(3) of the Corporations Act.

2.5 Important dates¹

Record Date for the SPP	7:00pm (AEDT) Friday, 16 February 2024
Lodgement of Prospectus with ASIC	Tuesday, 20 February 2024
Dispatch of Prospectus to Shareholders	Tuesday, 20 February 2024
Opening Date of the SPP	Tuesday, 20 February 2024
Closing Date of the SPP	7:00pm (AEDT) Thursday, 14 March 2024
Announcement of results of the SPP Offer	Friday, 15 March 2024
Issue of SPP Options under the SPP²	Monday, 18 March 2024
Expected date for despatch of holding statements³	Wednesday, 20 March 2024

Notes:

1. The dates set out in this table are subject to change and are indicative only. The Company reserves the right to alter this timetable at any time without notice. Hazer may close the Offer early, withdraw the Offer, or accept late applications. In that event, the relevant Application Money (without interest) will be returned in full to SPP Participants.
2. If the holdings statements do not contain the Exercise Price and Expiry Date of the SPP Options, the Company will issue a statement with that information within 5 business days after the holding statement is sent.

The Directors, subject to the requirements of the Listing Rules and the Corporations Act, reserve the right to:

- (a) withdraw either of the Offer without prior notice; or
- (b) vary any of the important dates set out in the Offer, including extending an Offer.

2.6 **Allocation and scale-back policy**

The Company will proceed to allocate the SPP Options as soon as possible after the Closing Date.

In the event of oversubscription, the Directors reserve the right to accept oversubscriptions as they deem appropriate but not exceeding the threshold of \$30,000 per holder under the SPP. The Directors may also, in their absolute discretion, decide to increase or decrease the amount to be raised under the SPP or scale back applications on an equitable basis.

In the case that there is less than full subscription by Eligible Shareholders under the SPP Offer, the Directors reserve the right to issue any Shortfall at their discretion in compliance with the Corporations Act and as contemplated within the Listing Rules (see section 3.4).

If the Company rejects or scales-back an application or purported application, the Company will promptly return to the Shareholder the relevant Application Monies, without interest. Scale-back for SPP Shares held by Custodians will be applied at the level of the underlying beneficiary.

The Shortfall will only be placed to the extent that such placement is in compliance with the takeover provisions of the Corporations Act, which restrict a person and their associates from having a relevant interest in the Company of not more than 19.99% (subject to a number of exemptions).

It will be the responsibility of Eligible Shareholders who apply for Securities under the SPP Offer to ensure that:

- any issue of SPP Shares to them under the SPP Offer; and
- any exercise of SPP Options issued to them under this Offer,

does not result in that person, or their associates, acquiring a relevant interest in the Company of not more than 19.99%.

No Securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus.

2.7 **ASX Quotation**

The Company intends to apply to the ASX for the SPP Options to be issued pursuant to this Prospectus to be listed for Official Quotation by the ASX. If granted, quotation of the SPP Options will commence as soon as practicable after allotment of the SPP Shares to SPP Participants. It is the responsibility of the SPP Participants to determine their allocation of SPP Options prior to trading.

Should the SPP Options not be granted Official Quotation on the ASX within three months after the date of this Prospectus, none of the SPP Options offered to Eligible Shareholders under this Prospectus will be issued, and any issue or transfer of the SPP Options (or Shares issued on exercise of those SPP Options) will be void in accordance with section 723 of the Corporations Act.

2.8 **CHESS**

The Company will apply to ASX Settlement for the SPP Options to participate in the Securities Clearing House Electronic Subregister System known as CHESS, in accordance with the ASX Listing Rules and ASX Settlement Operating Rules.

The Company will not issue certificates to Shareholders with respect to the SPP Options. After allotment of the SPP Options, Eligible Shareholders and Placement Participants who are issuer sponsored will be provided with an issuer sponsored statement and those who are CHES holders will receive an allotment advice for the SPP Options.

The CHES statements, which are similar in style to bank account statements, will set out the number of SPP Options allotted to each successful SPP Participant pursuant to this Prospectus. The statement will also advise holders of their holder identification number. Further statements will be provided to holders which reflect any changes in their holding in the Company during a particular month.

2.9 Minimum Subscription

There is a minimum subscription pursuant the SPP Options Offer of 500 SPP Options. This is on the basis they are free-attaching to the offer of SPP Shares under the SPP Offer, which requires a minimum of 2,000 SPP Shares be subscribed for at a value of \$1,000. Eligible Shareholders will receive one SPP Option for every four SPP Shares subscribed under the SPP.

2.10 No rights trading

Entitlements to the SPP Options pursuant to the Offer are non-renounceable and accordingly will not be traded on the ASX.

2.11 Payment and Application Forms

An Eligible Shareholder may only accept the SPP Options Offer by making application and paying for SPP Shares under the SPP via BPAY® or electronic funds transfer using the instructions on the personalised Application Form under the SPP. You must use the unique reference number provided on your personalised Application Form when paying via BPAY® or electronic funds transfer.

It is your responsibility to ensure funds are submitted correctly so they are received by the Closing Date of 7.00 pm (AEDT) on 15 March 2024. You should be aware of your financial institution's cut-off time.

To the maximum extent permitted by law, the Directors will have discretion over which Applications to accept.

Payment must be received by the Company prior to the Closing Date. Payment should be made in accordance with the instructions contained in the Application Form.

If you are in doubt as to the course of action, you should consult your professional adviser.

Acceptance of payment by the Company creates a legally binding contract between the SPP Participant and the Company for the number of SPP Options accepted by the Company. The Application Form does not need to be completed or signed to be a binding acceptance of HZRO Class Options under the Offer. The Directors' decision as to whether to treat the acceptance or payment as valid and how to construe, amend or complete the Application Form, is final.

By making a payment via BPAY® or electronic funds transfer, SPP Participant will be deemed to have represented and warranted on behalf of themselves or each person on whose account they are acting, that the law in their place of residence and/or where they have been given the Prospectus does not prohibit them from being given the Prospectus and that they:

- (a) irrevocably and unconditionally agree to the terms and conditions of the SPP Options Offer and the terms and conditions of the Application Form and agree not to do any act

or thing that would be contrary to the spirit, intention or purpose of the SPP Options Offer;

- (b) agree to irrevocably and unconditionally appoint the Company, its directors and company secretary (**Attorneys**) as your attorneys and representatives with full authority to act on your behalf and to do anything they consider to be necessary, convenient or appropriate in connection with you applying for free-attaching SPP Options under this Prospectus, including signing any document under your name, and you agree to be bound by the actions of the Attorneys;
- (c) agree to be bound by the terms of the SPP Options Offer pursuant to this Prospectus;
- (d) declare that all details and statements in the Application Form are complete and accurate;
- (e) declare that they are over 18 years of age and have full legal capacity and power to perform all their rights and obligations under the Application Form;
- (f) authorise the Company and its respective officers or agents, to do anything on their behalf necessary for the SPP Options to be issued to them, including to act on instructions of the Company's Share Registry upon using the contact details set out in the Application Form;
- (g) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that SPP Options are suitable for them given their investment objectives, financial situation or particular needs; and
- (h) acknowledge that the SPP Options have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia.

2.12 **Joint Lead Managers**

Viriathus Capital Pty Ltd and Bell Potter Securities Limited have been appointed as the joint lead managers to the Offer. Further details of the terms of appointment are set out in section 5.14. The Offer is not underwritten.

2.13 **Overseas Shareholders**

The Company has not made investigations as to the regulatory requirements that may prevail in the countries outside of Australia, New Zealand, Hong Kong and Singapore in which the Company's Shareholders reside.

This Prospectus and accompanying forms do not, and are not intended to, constitute an offer of SPP Options in any place outside of Australia, New Zealand, Hong Kong and Singapore in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

The distribution of this Prospectus in places outside of Australia, New Zealand, Hong Kong and Singapore may be restricted by law and persons who come into possession of this Prospectus should observe those restrictions, including those set out below. Any failure to comply with those restrictions could violate applicable securities laws.

The Company has decided that it is unreasonable to make the Offer under this Prospectus to Shareholders with registered addresses outside of Australia, New Zealand, Hong Kong and Singapore (**Ineligible Shareholders**) having regard to the number of Shareholders in those places, the number and value of the SPP Options they would be offered and the legal and regulatory requirements in those places and costs of complying with those requirements.

Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by Ineligible Shareholders and no SPP Options will be issued to Ineligible Shareholders.

In particular, the Offer is not made in the United States or to persons (including nominees or custodians) acting for the account or benefit of a person in the United States, or to any person who is ineligible under applicable securities laws in any other country except Australia, New Zealand, Hong Kong and Singapore.

This Prospectus does not constitute an offer of SPP Options in any jurisdiction in which it would be unlawful. SPP Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

New Zealand

The SPP Options are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the *Financial Markets Conduct (Incidental Offer) Exemption Notice 2021 (New Zealand)*.

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

Hong Kong

WARNING: This Prospectus may be distributed in Hong Kong only to existing Shareholders of the Company. This Prospectus may not be distributed, published, reproduced or disclosed (in whole or in part) to any other person in Hong Kong or used for any purpose in Hong Kong other than in connection with the recipient's consideration of the Offer.

You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

This Prospectus has not been reviewed by any Hong Kong regulatory authority. In particular, this Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of the Laws of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong under Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong.

Singapore

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

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

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

2.14 **Notice to nominees and custodians**

An Eligible Shareholder who holds Shares as nominee, trustee, or custodian (**Custodian**) for one or more persons on the Record Date (**Beneficiaries**) may apply for up to the Maximum Subscription for each Beneficiary for whom the Custodian holds Shares pursuant to the SPP Booklet.

Custodians must not apply for SPP Options on behalf of, or send any documents related to the SPP Options Offer to, any person in any jurisdiction where it is unlawful to do so, or to any person that is acting for the account or benefit of a person in any jurisdiction where it is unlawful to do so. By applying for the SPP Options under this Prospectus by making a payment using BPAY® or electronic funds transfer, a Custodian represents and warrants this is the case. Any person in the United States with a holding through a nominee may not participate in the SPP Options Offer.

The Company is not required to determine whether or not a registered holder or investor is acting as a Custodian. Where any person is acting as a Custodian for a foreign person, that person, in dealing with its beneficiary, will need to assess whether indirect participation in the SPP Options Offer by the Beneficiary complies with the terms of this Prospectus.

Nominees and Custodians may not distribute this Prospectus and may not permit any beneficial Shareholder to participate in the Offer, in any country outside Australia, New Zealand, Singapore and any other jurisdiction as the Company may agree in writing.

2.15 **Relevant interest in voting shares**

As the SPP Options do not grant the holders any voting rights Eligible Shareholders will not, as a result of the SPP Options Offer, acquire a relevant interest in issued voting shares in the Company as contemplated under section 606(1) of the Corporations Act.

However, if the SPP Options are exercised, the holders will be issued Resulting Shares. Section 606(6) of the Corporations Act provides that, upon conversion of the SPP Options to Resulting Shares, the holders will acquire a relevant interest in voting shares in the Company for the purposes of section 606(1).

Eligible Shareholders should carefully consider the prohibitions set out in Part 6 of the Corporations Act when electing to exercise their SPP Options. Any exercise of SPP Options must not result in the holder's voting power in the Company increasing:

- (a) from 20% or below to more than 20%; or
- (b) from a starting point that is above 20% and below 90%,

unless the acquisition complies with an exception set out in section 611 of the Corporations Act.

In particular, if:

- (a) the holder's voting power in the Company in the 6 months prior to the exercise of the SPP Options was at least 19%; and

- (b) the exercise of SPP Options would not result in the holder increasing its voting power by more than 3%,

then the acquisition of a relevant interest in voting shares pursuant to the exercise of SPP Options will not be a breach of the Corporations Act.

2.16 **Taxation implications**

The Directors do not consider it appropriate to give Eligible Shareholders advice regarding the taxation consequences of subscribing for the SPP Options.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Eligible Shareholders. As a result, Eligible Shareholders should consult their professional tax adviser in connection with subscribing for the SPP Options.

2.17 **Electronic prospectus**

You can obtain a copy of this Prospectus during the Offer Period on the Company's website at www.hazergroup.com.au or by contacting the Share Registry, Automic, on 1300 101 297 (within Australia) or +61 2 9068 1929 (outside Australia) between 8:30am and 7:00pm (AEDT time) Monday to Friday. If you access the electronic version of this Prospectus, you should ensure that you download and read the entire Prospectus.

The Application Form may only be distributed together with a complete and unaltered copy of the Prospectus. The Company will not accept payment if it has reason to believe that the investor has not received a complete paper copy or electronic copy of the Prospectus or if it has reason to believe that the Application Form or electronic copy of the Prospectus has been altered or tampered with in any way.

While the Company believes that it is extremely unlikely that in the Offer period the electronic version of the Prospectus will be tampered with or altered in any way, the Company cannot give any absolute assurance that it will not be the case. Any investor in doubt concerning the validity or integrity of an electronic copy of the Prospectus should immediately request a paper copy of the Prospectus directly from the Company, the Share Registry or a financial adviser.

3. Effect of the Offer on the Company

3.1 Financial position

The Company does not consider that the Offer will have a material effect on the financial position of the Company as no funds will be raised on the issue of the SPP Options.

If all SPP Options are issued and are subsequently exercised (which is not certain) it will have the effect of increasing the Company's cash balance by approximately \$1,500,000.

The expenses of the Offer will be met from the Company's existing cash reserves. The Offer will have an effect on the Company's financial position of reducing the cash balance by approximately \$280,000 (see section 5.21).

3.2 Capital structure on completion of the Offer

The principal effect of the Offer, assuming all SPP Options offered under this Prospectus are issued, will be to increase the number of Options currently on issue by a maximum of 2,000,000. Application will be made for these SPP Options to be quoted on ASX, adding to the existing class of quoted HZRO Class Options already on issue.

Assuming that no Existing Options are exercised, the effect of the Placement and SPP on the Company's issued capital as at the date of this Prospectus is as shown in the following table:

	Shares	HZRO Class Options	Unquoted Options ⁴
Existing Securities on issue	201,091,045	15,323,881	10,632,890
Maximum Securities to be issued under the Placement ¹	18,000,000	4,500,000	-
Maximum Shares to be issued under the SPP ³	8,000,000		-
Maximum SPP Options to be issued under the Offer ^{2, 3}	-	2,000,000	-
Total:	227,091,045	21,823,881	10,632,890

Notes:

1. Assumes completion of the Placement.
2. Assumes there is no SPP Shortfall under the Offer.
3. Up to approximately 2,000,000 SPP Options to be issued under this Prospectus, the terms and conditions of which are set out in section 5.6.
4. 10,632,890 Unquoted Options which vest into 10,632,890 Shares, detailed as follows:
 - a. 3,450,000 'Series N Options' exercisable at \$0.90 and expiring on 30 June 2024. All of these Options have vested.
 - b. 5,315,000 'Director Incentive Options' exercisable at \$0.001 and expiring on 22 December 2027 (note these Options are subject to early expiration provisions should applicable performance hurdles fail to be satisfied by the respective milestone dates. Refer to Company's ASX announcements dated 22 December 2022 and 14 July 2023); and
 - c. 1,867,890 'Employee Incentive Options' exercisable at \$0.001 and expiring 31 December 2027 (note these Options are subject to early expiration provisions should applicable performance hurdles fail to be satisfied by the respective milestone dates. Refer to Company's ASX announcements dated 22 December 2022 and 14 July 2023).

3.3 Proposed use of funds

It is currently intended that any funds raised from the SPP and Placement will be applied towards:

- (a) advancing Hazer process technology following operational startup of the CDP and to support the current and new commercial projects and licensing opportunities;
- (b) commercial projects delivery and future growth portfolio development;
- (c) the costs of the Offer, the SPP and the Placement; and
- (d) general working capital.

No funds will be raised from the issue of the SPP Options pursuant to this Prospectus as the SPP Options are issued as free-attaching to the SPP Shares.

The Company will receive \$0.75 for each SPP Option exercised. If all SPP Options are issued and exercised, the Company will receive approximately \$1,500,000 (before costs). There is no certainty that any of the SPP Options will be exercised.

It is intended that any funds raised from the exercise of SPP Options will be used for general working capital; however, the precise application of such funds will depend on when SPP Options are exercised and the status of the Company's projects and requirements at the relevant time.

The above is a statement of current intentions at the date of this Prospectus. 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 the funds are applied on this basis.

3.4 Effects on control of the Company

Dilution

Shareholders who did not participate in the Placement have currently been diluted by approximately 8.95%. Shareholders can reduce the dilutionary impact of the Placement by subscribing for Shares under the SPP Offer pursuant to the SPP Booklet up to the Maximum Subscription.

Assuming that the SPP Options Offer is fully subscribed and that all SPP Options are issued and exercised (and that none of the Existing Options or Placement Options are exercised), Shareholders who do not participate in the SPP Offer will be diluted by a further 4.97% (based upon their current interest and assuming that all of the Placement Shares are issued) – representing dilution of approximately 13.92% based on their interest before the Placement and the SPP Options Offer. Additionally, the SPP Options Offer is not being extended to Shareholders with registered addresses outside of Australia, New Zealand, Hong Kong and Singapore and the holdings of those Shareholders in the Company will be diluted to the same extent.

The interests of Shareholders will subsequently be further diluted to the extent that holders of Existing Options and Placement Options elect to exercise those Options before their respective Expiry Dates.

Control

The Company is of the view that the Offer will not affect the control (as defined by section 50AA of the Corporations Act) of the Company. No investor or existing Shareholder will have a voting power greater than 20% as a result of the completion of the Offer.

The maximum number of SPP Options proposed to be issued under the Offer is approximately 2,000,000. If all these SPP Options are exercised, the Shares issued on exercise will constitute approximately 0.87% of the Shares on issue following completion of the Offer (assuming no other Securities are issued or converted to Shares, including under the Placement).

At the date of this Prospectus, the Company is of the view that there is no one entity who controls the Company. Further information with respect to the substantial holder of the Company is set out at section 5.11.

While the final percentage interests held by Shareholders of the Company is entirely dependent on the extent to which they are Eligible Shareholders and to the extent to which the other Shareholders participate in the SPP Offer and, subsequently, exercise their SPP Options (and Placement Options where they have participated in the Placement), the Company expects that the potential effect of the issue of the SPP Shares and the SPP Options on the control of the Company will be minimal and that no Shareholder will increase their interest in the Company to greater than 19.99% as a result of applying for SPP Shares under the SPP Offer and subsequently exercising all of their SPP Options.

Additionally, the SPP Offer is not being extended to Shareholders with registered addresses outside of Australia, New Zealand, Hong Kong and Singapore and the holdings of those Shareholders in the Company will be diluted by a maximum of 12.93% in the event that the SPP Offer is fully subscribed (or 29.07% on a fully diluted basis if all SPP Options on issue after completion of the SPP Offer are exercised).

In the event of a Shortfall, the Directors reserve the right to place the Shortfall at their sole discretion, subject to the Corporations Act and in compliance with the Listing Rules. To the extent that any Shareholder who applies for SPP Shares under the Shortfall may obtain a substantial interest in the Company if they were to receive and exercise all SPP Shares applied for, the Shortfall will only be placed to the extent that such placement is in compliance with the takeover provisions of the Corporations Act, which restrict a person and their associates from having a relevant interest in the Company of not more than 19.99% (subject to a number of exemptions), and as contemplated within the Listing Rules.

4. Risk factors

4.1 Introduction

There are risks which may impact on the operating and financial performance of the Company and, therefore, on the value of the Securities offered under this Prospectus. Some of these risks can be mitigated by the Company's systems and internal controls, but many are outside of the control of the Company and the Board. There can be no guarantee that the Company will achieve its stated objectives or that any forward-looking statements will eventuate. An investment in a business with limited operating history, such as Hazer, is considered speculative and an investor could lose most or all of any investment. There are also general risks associated with any investment in Shares.

More specifically, the risks are that:

- (a) the price at which the SPP Participant is able to exercise the SPP Options is greater than the then current trading price of the Shares on ASX due to changes in market circumstances;
- (b) the SPP Participant cannot sell the SPP Options offered under this Prospectus;
- (c) the Company is placed in receivership or liquidation making it reasonably foreseeable that Shareholders could receive none, or only some of their initial investment; and
- (d) the Company fails to generate sufficient profit in order to pay dividends.

In the event of insolvency, the holders of fully paid ordinary Shares and Options would not normally be liable to pay money to any person. An exception could occur where a distribution, such as a dividend, has been made to Shareholders in circumstances where the Company was unable at that time to meet the solvency test set out in the Corporations Act. In that case, a liquidator may call for a return of such distributions.

Potential investors under this Prospectus should consider their personal circumstances (including financial and taxation issues) and seek advice from their stockbroker, accountant, solicitor or other professional advisers before deciding whether to invest.

A number of material risk factors which may adversely affect the Company and the value of the Securities offered under this Prospectus are set out in this section. This is not an exhaustive list and there may be other factors which have an adverse effect on the Company and the value of the Securities offered under this Prospectus now or in the future.

Additional risks that the Company is unaware of, or that the Company currently considers to be immaterial, also have the potential to have a material adverse effect on the Company's business, financial condition, operating and financial performance, growth and/or the value of Shares. Many of the circumstances giving rise to these risks and the occurrence of consequences associated with each risk are partially or completely outside the control of the Company, its Directors and management.

4.2 General Risks

The Securities that are to be issued pursuant to this Prospectus are speculative because of the nature of the business of the Company. The Company is involved in the commercialisation of technology designed to produce clean hydrogen which is highly speculative and no assurances can be made that the Company's particular interests or projects will be successful.

A summary of the major general risks are described below:

(a) **Dilution**

Shareholders should be aware that to the extent that they do not apply for the Maximum Subscription under the SPP Offer, a Shortfall may arise and all or part of any Shortfall may be placed by the Company, at the discretion of the Directors (in consultation with the Joint Lead Managers), to other parties in compliance with the Corporations Act and as contemplated within the Listing Rules. In such case their interest in the Company may be significantly diluted. Further the Offer is not being extended to Shareholders with registered addresses outside of Australia, New Zealand, Hong Kong and Singapore and the holdings of those Shareholders in the Company will be diluted by the Offer. See section 3.4 for further details.

Further the Offer not being extended to Shareholders with registered addresses outside of Australia, New Zealand, Hong Kong and Singapore and the holdings of those Shareholders in the Company will be diluted by the Offer. Given the terms of the Offer, the interests of a Shareholder in the Company may be diluted by up to 12.93% in the event that they are not eligible to participate or elect not to apply for the Maximum Subscription under the SPP Offer or alternatively, any Shortfall is fully placed (or up to 29.07% on a fully diluted basis in the event all SPP Options on issue after completion of the Offer are exercised).

Application for SPP Shares under the SPP Offer may also result in existing Shareholders or new investors significantly increasing their interest in the Company or obtaining a substantial interest in the Company. However, the Shortfall will only be placed to the extent that such placement is in compliance with the takeover provisions of the Corporations Act, which restrict a person and their associates from having a relevant interest in the Company of not more than 20.0%, subject to a number of exemptions.

The Company intends to actively work with the Joint Lead Managers during, and after, the Offer in order to secure commitments to place, and subsequently to place, any Shortfall Securities not subscribed for by Eligible Shareholders.

(b) **Economic Risk**

General economic conditions (both in Australia and internationally) may adversely impact the price of the Shares. Changes economic conditions may also adversely affect the Company's operations and financial performance. This includes factors such as inflation, currency fluctuations, changes in interest rates, industrial disruption, increase in unemployment rates, negative consumer and business sentiment.

(c) **Securities investments and share market conditions**

Securities quoted on a stock exchange, and in particular those of small companies at an early stage of commercial development can experience significant price and volume fluctuations that are often unrelated to the operating performance of the company.

As a publicly listed company on the ASX, the Company is subject to general market risk that is inherent for all entities whose Securities are listed on a securities exchange. This may result in fluctuations in the Share price that are not explained by the fundamental operations and activities of the Company. The price of the quoted Securities on ASX may rise or fall. Neither the Company nor any of the Directors can provide any assurance that the price of the Shares will increase following these Offer and do not warrant the future performance of the Company, or any return of an investment in the Company.

(d) **Liquidity**

There is no guarantee that an active market will develop or that the price of the quoted Securities will increase. There may be relatively few or many potential buyers or sellers of the quoted Securities on the ASX at any time, which may increase the volatility of the market price of the quoted Securities, prevent investors from acquiring more quoted Securities or disposing of SPP Options they acquire under the Offer.

(e) **Dividend risk**

The Company does not currently pay dividends. Payment of dividends on the Company's Shares is within the discretion of the Board and will depend upon the Company's future earnings, its capital requirements, financial condition, and other relevant factors. The Company does not currently intend to declare any dividends for the foreseeable future.

(f) **Legislative change**

Changes in government regulations and policies may adversely affect the financial performance or the current and proposed operations generally of the Company. Hazer is not aware of any current or proposed material changes in the applicable regulations or policy.

(g) **Unforeseen expenses**

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

(h) **Additional capital requirements**

The Company's ability to effectively implement its business strategy over time may depend in part on its ability to raise additional funds. There can be no assurance that any such equity or debt funding will be available to the Company on favourable terms or at all. If adequate funds are not available on acceptable terms, the Company may not be able to take advantage of opportunities or otherwise respond to competitive pressures.

(i) **Regulatory risk, Government policy**

Changes in relevant taxation, interest rates, other legal, legislative and administrative regimes and Government policies in Australia, may have an adverse effect on the assets, operations and ultimately the financial performance of the Company and the market price of its Securities.

4.3 **Risks specific to an investment in the Company**

In addition to the general market and economic risks noted in section 4.2, SPP Participants should be aware of risks specific to an investment in the Company, which may include, but are not limited to those risks described below.

(a) **Technology development and commercialisation risk**

The Company has the intellectual property rights to the Hazer Process[®]. A material risk is whether the Hazer Process[®] can be scaled up to large commercial plants to produce graphitic carbon and high purity hydrogen consistently and reliably. The Company has built the Commercial Demonstration Plant to demonstrate the Hazer Process[®] on a continuous basis at industrial scale. The Commercial Demonstration

Plant commenced operations in January 2024. There may be a material adverse impact on the Company's business objectives, operating and financial performance if the Commercial Demonstration Plant does not operate as intended. The Company is actively managing this risk through focused engineering and design work, process engineering and a research and development program. Whilst the Directors and management work to anticipate, identify and manage the risks inherent in the scale-up of the Hazer Process® and the operation of the Commercial Demonstration Plant, no assurance can be given that the Directors or management will be successful in these endeavours.

(b) **Operational risks**

The Commercial Demonstration Plant and future commercial plants may be adversely affected by a range of technological and operational factors, including unanticipated operational and technical difficulties encountered in scaling up and production activities; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated reactor issues which may affect through-put; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

(c) **Future funding risk**

At the date of this Prospectus, the Company does not have any income-producing assets and therefore has not yet generated any revenue or profits. Until the Company is able to develop a project to generate appropriate cashflow, it is dependent upon being able to obtain future equity or debt funding to support the scale up of the Hazer Process®. Neither the Company nor any of the Directors nor any other party can provide any guarantee or assurance that any required future funding can be raised on terms acceptable to the Company.

Also, no guarantee or assurance can be given as to when a project can be developed to the stage where it will generate positive cashflow. Any such project would be dependent on many factors, for example, scale up success, plant development and design, commissioning, and operational performance.

If the Company is unable to obtain additional funding as needed, it may be required to reduce the scope of its operations and/or scale back its expansion and development programs as the case may be.

(d) **Strategic partner risk**

The Company's strategy is to collaborate with strategic partners to scale up and develop hydrogen facilities using the Hazer Process® in its target markets of North America, Asia and Europe. The Company currently has non-binding memorandums of understanding for projects in Canada, France and Japan.

Each of these projects are at different stages of development and design. No assurance can be given that the Company will secure binding agreements with these strategic partners on appropriate terms or at all, or that the proposed hydrogen facilities will be completed.

The Company is seeking to secure other strategic partners in the target markets. While the Company has had positive discussions with a number of potential partners, negotiations are ongoing and there is no guarantee that the Company will secure agreements with other partners.

(e) **Supply contracts/customer engagement risk**

To successfully commercialise the Hazer Process[®], the Company will need to secure technology licensing and royalty agreements, related catalyst and services agreements, and/or bulk graphite sales agreements with customers to generate revenue. This will require customer engagement and the execution of relevant contracts. No customer agreements are currently in place.

(f) **Industry risk**

There is projected to be significant investment in hydrogen projects around the world over the coming years. The effects of this investment are currently unknown. Industry investment could have a significantly positive, or a significantly negative, effect on the Company's operations and achievement of its intended business objectives. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may, positively or negatively, affect the operating and financial performance of the Company's business.

(g) **Government policy change risk**

Shifts in government policy concerning the hydrogen industry could impact the Company's operational and financial performance. This could range from new regulations associated with the transitioning to a lower carbon economy, emerging regulatory frameworks and changing grant criteria directed towards renewable energy (electrolysis) produced hydrogen. These could result in the loss or reduction in grant funding or industry incentives, preventing development in the areas or jurisdictions in which the Company operates. Such changes could have a material adverse effect on the viability of a project or the business of the Company generally.

(h) **Tax law risk**

The Company has claimed and continues to intend to claim a refundable tax offset for eligible expenditure under the research and development (**R&D**) tax incentive scheme while it is able to do so. Changes in tax law, or changes in the way tax laws are interpreted (and in particular the R&D tax incentive scheme) may impact the ability of the Company to claim the R&D rebate and which may have a consequent impact on the Company's financial condition.

There is a risk that the tax authorities may review the tax treatment of the Company's business and activities, and any transactions entered into by the Company now or in the future. Any actual or alleged failure to comply with, or any change in the application or interpretation of, tax rules applied in respect of such transactions, may increase the Company's tax liabilities or expose it to legal, regulatory or other actions. To minimise this risk the Company obtains external expert advice to perform a detailed review of the Company's total R&D expenditure to determine the potential claim under the R&D tax incentive legislation.

(i) **Intellectual property risk**

The Company has obtained a number of patents in relation to the Hazer Process[®]. The strength of these patents involves complex legal and scientific questions and can be uncertain. No assurance can be given that the Company's patents will afford the Company commercially significant protection of the Hazer Process[®] or that competitors will not develop competing technologies that circumvents such patents.

(j) **Key personnel risk**

The Company's future value will depend in part on the performance of its Directors, senior management and other key personnel. There is a risk that the Company may not be able to retain or hire all personnel necessary for the development and operations of its business, which may have a material adverse impact on the Company and its operations.

(k) **Management of growth**

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

(l) **Insurance**

The Company intends to maintain appropriate insurance to cover its activities, however no assurance can be given that such insurance will be available on commercially reasonable terms or that any cover will be adequate and able to cover all potential claims. Insurance may not always be available for all aspects of the Company's operations. Where the Company suffers loss and does not carry adequate insurance, the Company may be exposed to material uninsured losses, which may have a material adverse impact on the viability of a project or the Company's business and financial condition generally.

(m) **Jurisdiction risk**

The Company is currently collaborating with strategic partners to develop hydrogen facilities in Canada, Japan and France. As these projects develop the Company will be exposed to the risk of operating in each of these jurisdictions, and any other jurisdictions outside of Australia where it may develop future projects. These risks may include legal complications, taxation risks, exchange rate risks and geopolitical risks. The Company has engaged in-country consultants to provide expert advice to manage these risks.

(n) **Legal and regulatory risk**

The Company must comply with the legislation and regulatory frameworks in each of the jurisdictions in which it operates. A failure to do so could result in suspension or loss of permits or licenses as well as financial penalties, which could impact the Company's ability to scale up the Hazer Process[®] and which may affect the Company's operational and financial performance.

Changes to laws and regulations in the future may provide for more onerous conditions with which the Company must comply. Any material adverse change in relevant laws or regulations may impact the Company's operational and financial performance.

(o) **Environmental risk**

Operations at the Commercial Demonstration Plant are subject to environmental regulation under a range of Western Australian and Commonwealth laws and regulations. The Company's operations are undertaken in a responsible manner with appropriate resourcing to manage compliance.

Despite this there is a risk that the Company's operations may cause harm to the environment due to an unexpected occurrence. Depending on the circumstances the Company may suffer reputational damage, may have an obligation to remediate the

damage and may have its licences to operate suspended or revoked, all of which may have a material adverse effect on the business of the Company.

Shareholders should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for the SPP Options.

5. Additional information

5.1 Transaction specific prospectus

Hazer is a disclosing entity and therefore subject to regular reporting and disclosure obligations under the Corporations Act. Under those obligations, the Company is obliged to comply with all applicable continuous disclosure and reporting requirements in the Listing Rules.

This Prospectus is issued under section 713 of the Corporations Act. This section enables disclosing entities to issue a prospectus in relation to Securities in a class of Securities which has been quoted by ASX at all times during the three months before the date of the Prospectus or options to acquire such Securities. Apart from formal matters this Prospectus need only contain information relating to the terms and conditions of the Offer, the effect of the Offer on the Company and the rights and liabilities attaching to the Securities offered under this Prospectus.

Copies of the documents lodged by the Company with ASIC may be obtained from or inspected at an office of ASIC.

The Company will provide a copy of any of the following documents, free of charge, to any person who asks for a copy of the document before the relevant Closing Date in relation to this Prospectus:

- (a) annual financial report for the period ending 30 June 2023; and
- (b) any other financial statements lodged in relation to the Company with ASIC and any continuous disclosure notices given by the Company to ASX, in the period starting immediately after lodgement of the annual financial report for the Company for the period ended 30 June 2023 and ending on the date of lodgement of this Prospectus with ASIC.

5.2 ASX Information and Share information

The ASX Announcements that the Company has made since 23 August 2023 are set out in Appendix A of this Prospectus. Copies of ASX announcements made by the Company may be obtained on the ASX website or the Company's website: www.hazergroup.com.au.

The highest and lowest prices of Shares in the Company on ASX in the six-month period before the date of this Prospectus and the respective dates of those sales are set out below.

	High (\$)	Low (\$)	Volume weighted average (\$)
One month	0.680	0.540	0.615
Three months	0.700	0.540	0.634
Six months	0.700	0.455	0.581

The last market sale price of Shares as at 14 February 2024 was \$0.555, being the last trading day before lodgement of this Prospectus.

The current Share price can be obtained from the ASX website at www.asx.com.au (ASX code: HZR).

The highest and lowest prices of HZRO Class Options on ASX in the six-month period before the date of this Prospectus and the respective dates of those sales are set out below.

	High (\$)	Low (\$)	Volume weighted average (\$)
One month	0.225	0.130	0.221
Three months	0.260	0.130	0.189
Six months	0.265	0.065	0.163

The last market sale price of HZRO Class Options as at 14 February 2024 was \$0.18, being the last trading day before lodgement of this Prospectus.

The current HZRO Class Option price can be obtained from the ASX website at www.asx.com.au (ASX code: HZRO).

5.3 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules other than as is set out in this Prospectus.

5.4 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Shares under this Prospectus.

5.5 Dividend Policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

5.6 Rights and liabilities attaching to SPP Options

The SPP Options will be issued on the following terms and conditions:

(a) Consideration

The SPP Options will be issued as part of the Offer on the basis of 1 SPP Option for every four SPP Share issued under the SPP. No further consideration other than the payment of the SPP Offer Price will be payable by Eligible Shareholders for the SPP Options.

(b) Terms of Exercise

The exercise price of each SPP Option is \$0.75 (**Exercise Price**).

The SPP Options will expire on 28 February 2025 (**Expiry Date**).

Subject to and conditional upon any adjustment in accordance with the conditions set out below, each SPP Option entitles the holder to subscribe for one fully paid Share upon payment of the Exercise Price prior to the Expiry Date.

The SPP Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with a cheque for the Exercise Price per SPP Option to the Company at any time on or after the date of issue and allotment of the SPP Options, on or before the Expiry Date.

On the valid exercise of the SPP Options and payment of the Exercise Price, the Company will issue Shares ranking pari passu with the then issued Shares.

(c) Transferability

The SPP Options are transferable.

(d) Rights to participate

Holders of SPP Options do not have any right to participate in new issues of Securities in the Company made to Shareholders generally. The Company will, where required pursuant to the Listing Rules, provide holders of SPP Options with notice prior to the books record date (to determine entitlements to any new issue of Securities made to Shareholders generally) to exercise the SPP Options, in accordance with the requirements of the Listing Rules.

Holders of SPP Options do not participate in any dividends unless the SPP Options have been exercised and the Resulting Shares are issued prior to the record date to determine entitlements to the dividend.

(e) Reconstructions

In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company:

- (1) the number of SPP Options, the Exercise Price, or both will be reconstructed (as appropriate) in a manner consistent with the Listing Rules as applicable at the time of reconstruction, but with the intention that such reconstruction will not result in any benefits being conferred on the holders of SPP Options which are not conferred on Shareholders; and
- (2) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of Shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the SPP Options will remain unchanged.

(f) Pro rata issues

If there is a pro rata issue (except a bonus issue), the Exercise Price may be reduced according to the following formula:

$$O^n = O - \frac{E [P - (S + D)]}{N + 1}$$

Where:

- O^n = the new exercise price of the SPP Option;
- O = the old exercise price of the SPP Option;
- E = the number of underlying Securities into which one SPP Option is exercisable;
- P = the average market price per Security (weighted by reference to volume) of the underlying Securities during the five trading days ending on the day before the ex-right date or the ex-entitlements date;
- S = the subscription price for a Security under the pro rata issue;

- D = dividend due but not yet paid on the existing underlying Securities (except those to be issued under the pro rata issue);
- N = the number of Securities with rights or entitlements that must be held to receive a right to one new Security.

(g) Bonus issues

If there is a bonus issue to the holders of Shares in the Company, the number of Shares over which the SPP Options is exercisable may be increased by the number of Shares which the holder of the SPP Options would have received if the SPP Options had been exercised before the record date for the bonus issue.

The terms of the SPP Options may only be changed if holders (whose votes are not to be disregarded) of Shares in the Company approve of such a change. However, the terms of the SPP Options must not be changed to reduce the Exercise Price, increase the number of SPP Options or change any period for exercise of the SPP Options.

(h) Quotation

The Company will make an application to ASX for quotation of the SPP Options.

Application will be made for quotation of the Shares issued upon exercise of SPP Options.

5.7 Rights and liabilities attaching to Resulting Shares

The rights attaching to ownership of Resulting Shares issued on the exercise of an SPP Option (in this section, **New Shares**) are set out in the Company's Constitution, a copy of which is available for inspection at the registered office of the Company during business hours. The following is a summary of the principal rights of holders of the New Shares, subject to any special rights attaching to any class of share at a future time. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of the Company's Shareholders.

(a) Voting

At a general meeting of the Company on a show of hands, every member present in person, or by proxy, attorney or representative has one vote and upon a poll, every member present in person, or by proxy, attorney or representative has one vote for every Share held by them.

(b) Dividends

The New Shares will rank equally with all other issued Shares in the capital of the Company and will participate in dividend out of profits earned by the Company from time to time. Subject to the rights of holders of Shares with any special preferential or qualified rights attaching to them, the profits of the Company are divisible amongst the holders of Shares paid proportionately to the amounts paid on the Shares. The Directors may from time to time pay to Shareholders such interim dividends as in their judgment the position of the Company justifies.

(c) Transfer of the Shares

(1) Uncertificated system

Transfer of Shares may be effected by an instrument of transfer in accordance with any system recognised by the ASX Listing Rules and effected in

accordance with the ASX Settlement Operating Rules approved under the Corporations Act or by an instrument of transfer in any usual form or by another form approved by the Directors or recognised by the Corporations Act or the ASX Listing Rules.

(2) Certificated system

Subject to the Constitution and the Corporations Act, a Shareholder's Share may be transferred by instrument in writing in any form authorised by the Corporations Act and the ASX Listing Rules or in any other form authorised by the Corporations Act and the ASX Listing Rules or in any other form that the Directors approve. No fee shall be charged by the Company on the transfer of any Shares.

(3) Refusal to register

The Directors, may, in their absolute discretion, refuse to register any transfer of Share or other Securities where permitted to do so by the Corporations Act, the ASX Listing Rules or the ASX Settlement Operating Rules. The Directors must refuse to register any transfer of Shares or other Securities when required to do so by the Corporations Act or the ASX Listing Rules. If the Directors decline to register a transfer, the Company must within five business days after the date of lodgement of such transfer give to the lodging party written notice of the refusal and the reasons for it.

(d) Winding up

Upon accepting the Entitlement to New Shares and paying the Acceptance Money, Shareholders will have no further liability to make payments to the Company in the event of the Company being wound up pursuant to the provisions of the Corporations Act.

(e) Future increases in capital

The allotment and issue of any New Shares is under the control of the Directors. Subject to the Listing Rules, the Company's Constitution and the Corporations Act, the Directors may allot or otherwise dispose of New Shares on such terms and conditions as they see fit.

(f) Variation of Rights

At present, the Company has only ordinary Shares on issue. If the shares of another class were issued, the rights and privileges attaching to ordinary Shares could only be altered with the approval of a resolution passed at a separate general meeting of the holders of ordinary Shares by a three quarter majority of such holders or the written consent of the holders of at least three quarters of the ordinary Shares.

(g) General Meeting

Each holder of Shares will be entitled to receive notice of and to attend and vote at general meetings of the Company and to receive notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution, the Corporations Act and the Listing Rules.

For more particular details of the rights attaching to ordinary Shares in the Company, investors should refer to the Constitution of the Company.

5.8 Corporate Governance

The Company has adopted a Corporate Governance Charter which can be obtained, at no cost, from the Company's registered office and is also available on the Company's website: www.hazergroup.com.au/investors/#corporategovernance.

The Company reports on its compliance with the recommendations made by the Corporate Governance Principles and Recommendations in its annual report. Where the Company's corporate governance practices do not correlate with the practices recommended by the ASX Corporate Governance Council, the Company is working towards compliance however it does not consider that all practices are appropriate for the Company due to the size and scale of the Company operations.

5.9 Directors' interests

The nature and extent of the interest (if any) that any of the Directors of the Company holds, or held at any time during the last two years in:

- (a) the formation or promotion of the Company;
- (b) property acquired or to be acquired by the company in connection with:
 - (1) its formation or promotion;
 - (2) the Offer; or
- (c) the Offer,

is set out below or elsewhere in this Prospectus.

Other than as set out below or elsewhere in this Prospectus, no one has paid or agreed to pay any amount, and no one has given or agreed to give any benefit to any director or proposed director:

- (a) to induce them to become, or to qualify as, a Director of the Company; or
- (b) for services provided by a director in connection with:
 - (1) the formation or promotion of the Company; or
 - (2) the Offer.

Set out below are details of the interest of the Directors in the Securities of the Company immediately prior to lodgement of the Prospectus with the ASIC. Interest includes those Securities held directly and indirectly. The table does not take into account any Shares or Options the directors may acquire under the Offer.

Director	Number of Shares	Number of HZRO Class Options ¹	Number of Unquoted Options ²	Number of Options vested
Tim Goldsmith	2,049,071	260,418	525,000	-
Glenn Corrie	358,660	159,895	4,100,000	-
Danielle Lee	810,597	63,996	345,000	-
John (Jack) Hamilton	453,265	189,294	345,000	-
Andrew Hinkly	10,445,901 ³	824,676	-	-

Notes:

- Each of the HZRO Class Options issued to the Directors has an Exercise Price of \$0.75 per Option and an Expiry Date of 28 February 2025. The HZRO Class Options were first offered to Shareholders pursuant to the Company's prospectus dated 31 July 2023 and are quoted on ASX under code ASX:HZRO.
- Each of the Unquoted Options issued to the Directors has a nominal Exercise Price of \$0.001 per Option and an Expiry Date of 22 December 2027. These Unquoted Options are subject to early expiration provisions should applicable performance hurdles fail to be satisfied by the respect milestone dates. Refer to Company's ASX announcements dated 22 December 2022 and 14 July 2023.
- Mr Hinkly holds an indirect interest in all of these Shares, on the basis they are held by AP Ventures, which is a major Shareholder in the Company. Mr Hinkly is the Managing Partner of AP Ventures.

5.10 Directors Fees

Set out below is the remuneration paid to the current Directors of the Company and their associated entities for the past two years.

Directors' remuneration for the period from 1 July 2023 to the date of this Prospectus:

July 2023 to date of this Prospectus	Short-term benefits (cash salary and fees) ¹ (\$)	Post-employment benefits (superann.) (\$)	Share-based payments (equity-settled) (\$)	Total (\$)
Non-Executive Directors				
Tim Goldsmith	43,750	4,594	46,211	94,555
Danielle Lee	29,167	3,033	30,367	62,567
Andrew Hinkly	-	-	-	-
John (Jack) Hamilton	32,229	-	30,367	62,596
Executive Director				
Glenn Corrie	233,333	12,722	618,107	842,162

Notes:

- There were no cash bonuses or non-monetary short-term benefits provided to the Directors in this period.

Directors' remuneration for the financial year ended 30 June 2023:

FY23¹	Short-term benefits (cash salary and fees)² (\$)	Post-employment benefits (superann.) (\$)	Share-based payments (equity-settled)³ (\$)	Total (\$)
Non-Executive Directors				
Tim Goldsmith	75,000	7,875	54,796	137,671
Danielle Lee	50,000	5,250	36,009	91,259
Andrew Hinkly	-	-	-	-
John (Jack) Hamilton	55,250	-	36,009	91,259
Executive Director				
Glenn Corrie ⁴	349,425	19,051	771,555	1,140,031

Notes:

1. These are audited figures, as disclosed in the Company's Annual Report released to ASX on 23 August 2023. There was no long service leave provided to the Directors in this financial year.
2. There were no cash bonuses or non-monetary short-term benefits provided to the Directors in this financial year.
3. These figures represent a recognised management account value. Share-based payments relate to Options issued in a current period vesting over multiple periods.
4. Glenn Corrie's remuneration is for the period 3 April 2023 to 30 June 2023.

Directors' remuneration for the financial year ended 30 June 2022:

FY22¹	Short-term benefits² (\$)		Post-employment benefits (superann.) (\$)	Total (\$)
	Cash salary and fees	Cash bonuses		
Non-Executive Directors				
Tim Goldsmith	64,500	-	1,500	66,000
Danielle Lee	40,000	-	4,000	44,000
Andrew Hinkly	-	-	-	-
John (Jack) Hamilton ³	29,343	-	-	29,343
Andrew Harris ⁴	17,576	-	1,758	19,334
Executive Director				
Geoff Ward	320,119	42,525 ⁵	33,429	396,073

Notes:

1. There were no long-term benefits (such as long service leave) or share-based/equity settled payments provided to the Directors in this financial year.
2. There were no non-monetary short-term benefits provided to the Directors in this financial year.
3. John (Jack) Hamilton's remuneration is for the period 1 November 2021 to 30 June 2022.

4. Andrew Harris' remuneration is for the period 1 July 2021 to 8 December 2021.
5. Geoff Ward's cash bonus includes a figure of \$28,350 in relation to 2022 financial year that was paid after the year end. Mr Ward resigned as a Director of the Company on 30 June 2022.

The Board considers that these fees are reasonable remuneration pursuant to section 211 of the Corporations Act and accordingly, member approval is not required.

Details of the intention of Directors to participate in the SPP Offer is set out in section 1.5.

5.11 Substantial Holders

The following are details of those Shareholders who hold more than 5% of the Shares prior to the date of this Prospectus:

Substantial Holder	Number of Shares	%
AP Ventures Fund II GP LLP	10,445,901	5.19 ¹

Notes:

1. AP Ventures did not participate in the Placement. As at the date of this Prospectus, the Placement Shares have not been issued, however AP Ventures' holding is expected to be diluted to 4.77% of the Shares in the Company upon issue of the Placement Shares.

5.12 Related party transactions

From time to time the Company may be party to transactions with related parties including:

- (a) employment and service arrangements; and
- (b) payment of Directors fees.

The Company believes that it has made appropriate disclosure of past related party transactions and other than any further disclosure specifically set out below or made elsewhere in this Prospectus does not intend to make any further disclosure of such transactions which transactions will have either proceeded on an "arms length" basis, reasonable remuneration basis or been approved by Shareholders in general meeting.

The Company discloses the following transactions with related parties which have either proceeded on an "arms length" or reasonable remuneration basis or have been approved by Shareholders in general meeting. The transactions are:

- (a) employment agreements with Glenn Corrie and remuneration payable pursuant to those agreements as set out at sections 5.9 and 5.10;
- (b) Non-Executive Director agreements with Tim Goldsmith, Danielle Lee and John (Jack) Hamilton and payment of directors' fees to these Non-Executive Directors;
- (c) issue of Options to Directors; and
- (d) issue of Shares and Options to Directors pursuant to offers made available to the public or existing Shareholders.

The Board considers that the remuneration and benefits are reasonable remuneration pursuant to section 211 of the Corporations Act and accordingly, member approval is not required.

5.13 **Payment of Non-Executive Director fees**

Each of the Non-Executive Directors of the Company (being Tim Goldsmith, Danielle Lee, John (Jack) Hamilton and Andrew Hinkly) are entitled to be paid directors' fees in the amount of \$75,000, \$50,000, \$55,250 and nil (respectively) excluding superannuation on a per annum basis.

The Board considers that these fees are reasonable remuneration pursuant to section 211 of the Corporations Act and accordingly, member approval is not required.

5.14 **Mandate Agreement**

The Company has entered a mandate with Viriathus Capital Pty Ltd and Bell Potter Securities Limited (**JLMs**) pursuant to which the JLMs have been appointed as joint lead managers and bookrunners to the Placement and SPP (**Mandate Agreement**). The JLMs will provide a number of services to the Company, including lead managing the Placement and SPP and other services and assistance customarily provided in connection with such a Placement and SPP.

The Company has agreed to pay the JLMs:

- (a) a management fee of 2% of the total proceeds raised in connection with the Placement and SPP; and
- (b) a selling fee of 4% of the total proceeds raised in connection with the Placement and PP (excluding proceeds raised from investors that are introduced by the Company as cornerstone investors to the Placement and SPP and any foreign investors introduced to the Offer by Hannam & Partners).

The management and selling fees will be split equally between the JLMs.

The Company has agreed to reimburse the JLMs for all reasonable out-of-pocket expenses (including GST) incurred by the JLMs in connection with the Placement and SPP (other than any payments made in relation to the appointment by the JLMs of other brokers to the Placement and SPP).

The JLMs must obtain the written consent of the Company prior to incurring any individual expense (excluding legal fees) greater than \$2,000.

The Mandate Agreement may be terminated with or without cause by the Company or either JLM by giving 14 days' written notice to the other parties. In the event of termination, provisions of the Mandate Agreement that are capable of having effect after expiry or termination (including but not limited to those relating to fees, expenses, indemnification, limitation of liability and confidentiality) will survive and any rights accrued by a party prior to the date of expiry or termination will continue.

Where the Company terminates the Mandate Agreement without cause and subsequently announces an equity capital raising which is either the same as or substantially similar to the Placement and SPP within 6 months from the date of termination, the Company must pay the JLMs within 7 days of the settlement date for that capital raising an amount equal to the fees stated in the Mandate Agreement calculated by reference to the proceeds of that raising.

The Company agrees to offer the JLMs the right of first refusal to act as JLMs in any equity capital raising undertaken by the Company within 12 months following completion of the Placement and SPP.

The Mandate Agreement contains other terms and conditions that are standard for an agreement of its nature. This includes, but is not limited to, clauses in relation to representations and warranties, indemnities, and confidential information.

5.15 **Interests of experts and advisers**

This section applies to persons 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, promoters of the Company and stockbrokers or arrangers to the Offer (collectively **Prescribed Persons**).

Other than as set out below or elsewhere in this Prospectus, no Prescribed Person has, or has had in the last two years, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired in connection with the formation or promotion of the Company or the Offer; or
- (c) the Offer of Securities under this Prospectus.

Other than as set out below or elsewhere in this Prospectus, no benefit has been given or agreed to be given to any Prescribed Person for services provided by a Prescribed Person in connection with the:

- (a) formation or promotion of the Company; or
- (b) Offer of Securities under this Prospectus.

Viriathus Capital Pty Ltd is a joint lead manager to the Offer, in respect of which it is entitled to receive fees and commission under the Mandate Agreement as set out in section 5.14 above.

Bell Potter Securities Limited is a joint lead manager to the Offer, in respect of which it is entitled to receive fees and commission under the Mandate Agreement as set out in section 5.14 above.

HopgoodGanim Lawyers are acting as solicitors to the Offer and have performed work in relation to the Prospectus. In doing so, HopgoodGanim Lawyers have placed reasonable reliance upon information provided to them by the Company. HopgoodGanim Lawyers does not make any statement in this Prospectus. In respect of this work, the Company estimates that it will pay approximately \$40,000 (excluding disbursements and GST) to HopgoodGanim Lawyers in relation to the work in relation to the Prospectus. This does not include costs arising from work in relation to the Placement. HopgoodGanim Lawyers are the Company's Australian lawyers and are engaged from time to time by the Company on a variety of matters. Further amounts may be paid to HopgoodGanim Lawyers in accordance with its normal time-based charges.

5.16 **Limitation on foreign ownership**

The Foreign Acquisitions and Takeovers Act (**FATA**) sets limitations on the ability of foreign persons to hold shares or other Securities convertible into shares (such as options) in an Australian company. Foreign persons who are controlled by a foreign government may also be subject to further requirements under Australia's Foreign Investment Policy as published by the Foreign Investment Review Board from time to time.

The FATA regulates acquisitions giving rise to ownership of substantial amounts of a company's shares.

The FATA prohibits:

- (a) any natural person not ordinarily resident in Australia; or
- (b) any corporation in which either a natural person not ordinarily resident in Australia or a foreign corporation (as defined in the FATA) holds a controlling interest; or
- (c) two or more such persons or corporations,

from acquiring or entering into an agreement to acquire an interests in an existing Australian corporation if after the acquisition such person or corporation would hold a substantial interest in a corporation, or where two or more persons or corporations would hold an aggregate substantial interest (defined below), without first applying in the prescribed form for approval by the Australian Treasurer and receiving such approval or receiving no response in the 40 days after such application was made.

Acquisitions of interests may include the acquisition of shares, options or any other instrument which may be converted to shares, as well as any other type of arrangement which results in control of the corporation.

A holder will be deemed to hold a substantial interest in a corporation if the holder alone or together with any associates (as defined in the FATA) is in a position to control not less than 15% of the voting power in the corporation or holds interests in not less than 15% of the issued shares in that corporation. Two or more holders hold an aggregate substantial interest in a corporation if they, together with any associates (as so defined), are in a position to control not less than 40% of the voting power in that corporation or hold not less than 40% of the issued Shares in that corporation.

5.17 **Subsequent events**

There has not arisen, at the date of this Prospectus any item, transaction or event of a material or unusual nature not already disclosed in this Prospectus which is likely, in the opinion of the Directors of the Company to affect substantially:

- (a) the operations of the Company,
- (b) the results of those operations; or
- (c) the state of affairs of the Company.

5.18 **Litigation**

The Company is not engaged in any litigation which has or would be likely to have a material adverse effect on either the Company or its business.

5.19 **Disclosure regarding directorship of insolvent company**

No Director of the Company has been a director of an insolvent company within the last 10 years.

5.20 **Privacy**

By making a payment under the SPP (which includes the free-attaching SPP Options offered under this Prospectus), you are providing to the Company personal information about yourself. If you do not provide complete and accurate personal information, your application may not be able to be processed.

The Company maintains the register of members of the Company through Automic, an external service provider. The Company requires Automic to comply with the National Privacy Principles with performing these services. The Company's register is required under the Corporations Act to contain certain personal information about you such as your name and address and number of Shares and Options held. In addition the Company collects personal information from members such as, but not limited to, contact details, bank accounts and membership details and tax file numbers.

This information is used to carry out registry functions such as payment of dividends, sending annual and half yearly reports, notices of meetings, newsletters and notifications to the Australian Taxation Office. In addition, contact information will be used from time to time to inform members of new initiatives concerning the Company.

The Company understands how important it is to keep your personal information private. The Company will only disclose personal information we have about you:

- (a) when you agree to the disclosure;
- (b) when used for the purposes for which it was collected;
- (c) when disclosure is required or authorised by law;
- (d) to other members in the Hazer group of companies;
- (e) to your broker; or
- (f) to external service suppliers who supply services in connection with the administration of the Company's register such as mailing houses and printers, Australia Post and financial institutions.

You have the right to access, update and correct your personal information held by the Company and Automic, except in limited circumstances. If you wish to access, update or correct your personal information held by Automic or by the Company please contact our respective offices.

If you have any questions concerning how the Company handles your personal information please contact the Company.

5.21 Expenses of the Offer

All expenses connected with the Offer are being borne by the Company. Total expenses of the Offer are estimated to be in the order of \$280,000. This does not include costs associated with the Placement.

5.22 Consents and disclaimers

Written consents to the issue of this Prospectus have been given and at the time of this Prospectus have not been withdrawn by the following parties:

Viriathus Capital Pty Ltd has given and has not withdrawn its consent to be named in this Prospectus as a joint lead manager in relation to the Offer in the form and context in which it is named. It takes no responsibility for any part of the Prospectus other than references to its name.

Bell Potter Securities Limited has given and has not withdrawn its consent to be named in this Prospectus as a joint lead manager in relation to the Offer in the form and context in which it is named. It takes no responsibility for any part of the Prospectus other than references to its name.

HopgoodGanim Lawyers has given and has not withdrawn its consent to be named in this Prospectus as solicitors to the Offer in the form and context in which it is named. It takes no responsibility for any part of the Prospectus other than references to its name.

Automic Pty Ltd has given and has not withdrawn, its consent to be named as Share Registrar in the form and context in which it is named. It has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registrar to the Company and has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

5.23 **Target Market Determination**

A Target Market Determination has been prepared for the SPP Options offered under this Prospectus as required under section 994B of the Corporations Act. A copy of the Target Market Determination is available at the Company's website at www.hazergroup.com.au. It contains the information prescribed under section 994B of the Corporations Act, including a description of the class of consumers that comprises the target market for the SPP Options, the distribution conditions and restrictions of the SPP Options and certain review triggers. The Target Market Determination forms part of the Company's product governance arrangements in respect of its Options. The Target Market Determination does not apply to the secondary sales of any Securities issued under this Prospectus.

5.24 **Directors' statement**

This Prospectus is issued by Hazer Group Limited. Each director has consented to the lodgement of the Prospectus with ASIC.

Signed on the date of this Prospectus on behalf of Hazer Group Limited by



.....
Glenn Corrie
CEO & Managing Director

6. Definitions and glossary

Terms and abbreviations used in this Prospectus have the following meaning:

Acceptance	An acceptance of Entitlements
Application	A valid application for SPP Shares offered under the SPP Booklet
Application Form	The SPP application form accompanying this Prospectus
Application Money	The money received from an SPP Participant in respect of an Application under the SPP Offer
AP Ventures	AP Ventures Fund II GP LLP, a limited liability partnership incorporated in the United Kingdom, with the registered office address of 16 Littleworth Lane, Esher, Surrey, UK, KT10 9PF and Company No. OC422436
ASIC	Australian Securities and Investments Commission
ASIC Instrument	Means <i>ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547</i>
ASX	ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires)
ASX Settlement	ASX Settlement Pty Ltd
ASX Settlement Operating Rules	The operating rules of ASX Settlement
Bell Potter	Bell Potter Securities Limited ACN 006 390 772
Business Day	A day, other than a Saturday, Sunday or public holiday, on which banks are open for general banking business in Sydney
CDP or Commercial Demonstration Plant	The Company's commercial demonstration plant located in Woodman Point, Western Australia
Closing Date	The date by which valid acceptances must be received by the Share Registry, being, with respect to the Offer, 7:00pm (AEDT) on Friday, 15 March 2024, or such other date determined by the Board
Company or Hazer	Hazer Group Limited ACN 144 044 600
Constitution	The Constitution of the Company
Corporate Governance Principles and Recommendation	Corporate Governance Principles and Recommendation 4 th Edition initially released by the ASX Corporate Governance Council in February 2019
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Directors or Board	The Board of directors of Hazer from time to time
Eligible Shareholder	A Shareholder who holds Shares in the Company on the Record Date with a registered address in Australia, New Zealand, Hong Kong and Singapore
Entitlement	The entitlement of an Eligible Shareholder under this Prospectus to participate in the SPP up to the Maximum Subscription

Exercise Price	The price payable to exercise a SPP Option, being \$0.75 per SPP Option
Existing Options	All existing Options to subscribe for Shares currently on issue as at the date of this Prospectus (which, for the sake of clarity, excludes the SPP Options)
Expiry Date	The date on which the SPP Options expire (unless exercised sooner), being 28 February 2025
FATA	<i>Foreign Acquisitions and Takeovers Act 1975</i> (Cth)
GST	Goods and services tax pursuant to the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth)
HZRO Class Options	the existing class of quoted Securities of the Company with the ASX code 'HZRO', being a quoted Option of the Company, each exercisable at \$0.75 each and expiring on 28 February 2025
Joint Lead Managers or JLMs	Bell Potter and Viriathus
Listing Rules or ASX Listing Rules	The official listing rules of ASX
Mandate Agreement	Has the meaning given in section 5.14
Maximum Subscription	The maximum number of SPP Shares which an Eligible Shareholder can subscribe for under the SPP Offer, being 60,000 SPP Shares for \$30,000
Offer Price	The issue price of \$0.50 per SPP Share applied for under the SPP Offer
Official List	The official list of entities that ASX has admitted and not removed
Official Quotation	Quotation on the Official List
Opening Date	The opening date of the Offer, being 20 February 2024
Options	Options on issue in the Company from time to time
Placement	The placement of the Placement Shares to sophisticated, professional, and institutional investors at an issue price of \$0.50 per Placement Share, and the free-attaching Placement Options to raise up to \$9,000,000
Placement Options	The attaching HZRO Class Options to be issued to the Placement Participants on the basis of one Placement Option for every four Placement Shares subscribed for under the Placement
Placement Participants	Those sophisticated and professional investors who participated in the Placement
Placement Shares	Up to 18,000,000 Shares proposed to be issued on 26 February 2024 pursuant to the Placement
Prospectus	This Prospectus dated 20 February 2024 as modified or varied by any supplementary prospectus made by the Company and lodged with the ASIC from time to time and any electronic copy of this prospectus and supplementary prospectus

Quoted Options	Means a quoted Option of the Company, and includes the SPP Options offer under this Prospectus on the terms and conditions in section 5.6
Record Date	7:00pm (AEDT) on Friday, 16 February 2024
Resulting Shares	The Shares issued on exercise of the SPP Options (as the case requires)
R&D	Research and Development
Securities	Has the same meaning as in section 92 of the Corporations Act
Share Registry or Automic	Automic Pty Ltd ACN 152 260 814
Shares	The ordinary shares on issue in Hazer from time to time
Shareholders	The holders of Shares from time to time
Shortfall	A shortfall between the SPP Shares taken up by SPP Participants and the total Entitlements available for subscription under the SPP
SPP	The Share Purchase Plan
SPP Booklet	Has the meaning given to that term in section 2.1
SPP Offer	The offer and issue of SPP Shares (and free-attaching SPP Options) to Eligible Shareholders
SPP Options	The Securities offered under this Prospectus, being the free-attaching HZRO Class Options to be issued to the SPP Participants on the basis of one SPP Option for every four SPP Shares subscribed for and issued under the SPP
SPP Options Offer or Offer	The offer of up to 2,000,000 HZRO Class Options to Eligible Shareholders, on the basis of one free-attaching HZRO Class Option for every four SPP Shares subscribed for and issued under the SPP, pursuant to this Prospectus
SPP Participants	Those Eligible Shareholders who accept the SPP Offer to participate in the SPP under the SPP Booklet
SPP Shares	The Shares offered to Eligible Shareholders under the SPP pursuant to this Prospectus
Unquoted Options	Means an unquoted Option of the Company
US Securities Act	The US Securities Act of 1933, as amended
Viriathus	Viriathus Capital Pty Ltd ACN 113 959 596

Appendix A - ASX Announcements

Date	Title of Announcement
23/08/2023	Appendix 4E & Annual Report 30 June 2023
23/08/2023	Appendix 4G & Corporate Governance Statement
25/08/2023	Application for quotation of securities - HZR
29/08/2023	Change of Director's Interest Notice x5
31/08/2023	CDP Advances as Heat Exchanger Installed
01/09/2023	Hazer Appoints Chief Financial Officer
20/09/2023	CDP Reactor Completes Major Fabrication Milestone
20/09/2023	ASX Small & Mid Cap Conference Presentation
02/10/2023	Application for quotation of securities
02/10/2023	Completion of Entitlement Offer Shortfall
05/10/2023	2023 Annual General Meeting
09/10/2023	Analyst Site Visit Presentation
16/10/2023	Appendix 4C - quarterly
24/10/2023	Notice of Annual General Meeting/Proxy Form
25/10/2023	FY23 R&D Tax Refund of \$3.13M Approved
25/10/2023	Hazer Conference Presentations
30/10/2023	HZR & Mitsui Agree to Advance Collaboration on HZR Graphite
06/11/2023	CDP Drives Towards Start-Up As Reactor Fabrication Completed
21/11/2023	CDP Commissioning Underway After Successful Reactor Install
23/11/2023	AGM Address & Presentation
23/11/2023	Results of Meeting
01/12/2023	Appointment of Company Secretary
21/12/2023	CDP Reactor Successfully Commissioned
22/01/2024	Appendix 4C - quarterly
01/02/2024	Hazer Achieves First Hydrogen and Graphite at CDP
05/02/2024	Investor Roadshow Presentation
12/02/2024	Application for quotation of securities – HZR
15/02/2024	Trading Halt
19/02/2024	Completion of \$9.0 Million Placement & Launch of SPP Offer
19/02/2024	Proposed issue of securities – HZR
19/02/2024	Proposed issue of securities – HZR

Corporate Directory

Directors	Solicitors	Auditors*
<p>Tim Goldsmith (Non-Executive Chairman)</p> <p>Glenn Corrie (Managing Director and CEO)</p> <p>Danielle Lee (Non-Executive Director)</p> <p>John (Jack) Hamilton (Non-Executive Director)</p> <p>Andrew Hinkly (Non-Executive Director)</p>	<p>HopgoodGanim Lawyers</p> <p>Level 27, Allendale Square 77 St Georges Terrace Perth WA 6000</p> <p>Tel: + 61 8 9211 8111</p> <p>www.hopgoodganim.com.au</p>	<p>RSM Australia Partners</p> <p>Level 32, Exchange Tower 2 The Esplanade Perth WA 6000</p> <p>Tel: +61 8 9261 9100</p> <p>www.rsm.global</p>
Company Secretary	Administration and Registered Office	Share Registry*
<p>Joan Dabon</p>	<p>Level 9, 99 St Georges Terrace Perth WA 6000</p> <p>Tel: +61 8 9329 3358</p> <p>www.hazergroup.com.au</p>	<p>Automic Pty Ltd</p> <p>Level 5, 126 Phillip Street Sydney NSW 2000</p> <p>Tel: 1300 101 297 (within Australia)</p> <p>+61 2 9068 1929 (outside Australia)</p> <p>www.automicgroup.com.au</p>
Joint Lead Manager*	Joint Lead Manager*	
<p>Viriathus Capital Pty Ltd</p> <p>Suite 47, Level 35 International Towers One 100 Barangaroo Avenue Barangaroo NSW 2000</p> <p>Tel: + 61 2 8046 7549</p> <p>www.viriathus.com</p>	<p>Bell Potter Securities Limited</p> <p>Level 38, Aurora Place 88 Phillip Street Sydney NSW 2000</p> <p>Tel: + 61 2 9255 7200</p> <p>www.bellpotter.com.au</p>	

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