

# **GREAT WESTERN EXPLORATION LIMITED**

## **ACN 123 631 470**

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### **ENTITLEMENT ISSUE PROSPECTUS**

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For a renounceable entitlement issue of two (2) Shares for every five (5) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.002 per Share to raise up to \$1,002,159 (based on the number of Shares on issue as at the date of this Prospectus) together with one (1) free attaching Option for every two (2) Shares subscribed for and issued under the Offer, exercisable at \$0.005 and expiring on 31 August 2021 (**New Option**) (**Offer**).

The Offer is partially underwritten by Mahe Capital Pty Ltd (ABN 91 634 087 684) (AFSL 517246) (**Underwriter**) up to the amount of \$600,000. Please refer to section 8.4 of this Prospectus for details regarding the terms of the Underwriting Agreement.

Mahe Capital Pty Ltd is also Lead Manager to the Offer.

This Prospectus also contains an offer of 10,000,000 New Options for nil cash consideration in satisfaction of services provided by the Underwriter under the Underwriting Agreement (**Broker Option Offer**).

#### **IMPORTANT NOTICE**

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Securities offered by this Prospectus should be considered as speculative.

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## 1. CORPORATE DIRECTORY

### Directors

Kevin Somes (*Executive Chairman*)

Jordan Luckett (*Technical Director*)

Terrance Grammer (*Non-Executive Director*)

### Company Secretary

Justin Barton

### ASX Code

GTE

### Registered Office

Level 3, 30 Richardson Street  
WEST PERTH WA 6005

Telephone: + 61 8 6311 2852  
Facsimile: +61 8 6313 3997

Email:  
enquiries@greatwesternexploration.com.au  
Website:  
www.greatwesternexploration.com.au

### Underwriter and Lead Manager

Mahe Capital Pty Ltd (AFSL 517 246)  
(ABN 91 634 087 684)  
Level 8, 99 St Georges Terrace  
Perth WA 6000

### Share Registry\*

Computershare Investor Services Pty  
Ltd  
Level 11  
172 St Georges Terrace  
PERTH WA 6000

TELEPHONE: 1300 850 505

### Solicitors

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

### Auditor

Bentleys Audit & Corporate (WA) Pty  
Ltd  
Level 3, London House  
216 St Georges Terrace  
PERTH WA 6000

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## 2. TIMETABLE

Announcement of Offer	Friday, 28 February 2020
Lodgement of Prospectus with the ASIC and ASX, lodgement of Appendix 3B	Friday, 28 February 2020
Ex date	Wednesday, 4 March 2020
Rights start trading	Wednesday, 4 March 2020
Record Date for determining Entitlements (4:00pm WST)	Thursday, 5 March 2020
Prospectus and personalised Entitlement and Acceptance Forms sent out to Eligible Shareholders	Tuesday, 10 March 2020
Rights Trading Ends	Thursday, 19 March 2020
Securities quoted on a deferred settlement basis	Friday, 20 March 2020
Closing Date for the Offers*	Thursday, 26 March 2020
ASX notified of under subscriptions	Monday, 30 March 2020
Issue date and deferred settlement trading ends, lodgement of Appendix 2A with ASX	Wednesday, 1 April 2020
Despatch of holding statements	Thursday, 2 April 2020

\*The Directors may extend the Closing Date by giving at least 6 Business Days notice to ASX prior to the Closing Date. As such the date the Securities are expected to commence trading on ASX may vary.

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### **3. IMPORTANT NOTES**

This Prospectus is dated 28 February 2020 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

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

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

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities the subject of this Prospectus should be considered highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or Shortfall Application Form (as the case may be).

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. 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 whom potential investors may consult.

#### **3.1 Risk factors**

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in section 7 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

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## 4. DETAILS OF THE OFFERS

### 4.1 The Offer

The Offer is being made as a renounceable entitlement issue of two (2) Shares for every five (5) Shares held by Shareholders registered at the Record Date at an issue price of \$0.002 per Share (together with 1 free attaching New Option for every two Shares subscribed for and issued). Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no existing Options are exercised prior to the Record Date) a maximum of 501,079,777 Shares and 250,539,889 New Options will be issued pursuant to this Offer to raise up to \$1,002,159. No funds will be raised from the issue of the New Options.

As at the date of this Prospectus, the Company has 343,500,132 Options on issue, all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to section 5.4 of this Prospectus for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to section 6 of this Prospectus for further information regarding the rights and liabilities attaching to the Shares.

All of the New Options offered under this Prospectus will be issued on the terms and conditions set out in section 6.2 of this Prospectus.

All Shares issued on conversion of the New Options will rank equally with the Shares on issue at the date of this Prospectus.

The purpose of the Offer and the intended use of funds raised are set out in section 5.1 of this Prospectus.

### 4.2 What Eligible Shareholders may do

The number of Securities to which Eligible Shareholders are entitled is shown on the accompanying personalised Entitlement and Acceptance Form. Eligible Shareholders may:

- (a) take up all of their Entitlement (refer to section 4.3 of this Prospectus);
- (b) take up all of their Entitlement and apply for Shares and Options in addition to their Entitlement (**Shortfall Securities**) (refer to section 4.4 of this Prospectus);
- (c) sell all of their Entitlement on ASX (refer to section 4.5 of this Prospectus);
- (d) take up a proportion of their Entitlement and sell the balance on ASX (refer to section 4.6 of this Prospectus);
- (e) take up a proportion of their Entitlement and allow the balance to lapse (refer to section 4.7 of this Prospectus);
- (f) sell all or a proportion of their Entitlement other than on ASX (refer to section 4.8 of this Prospectus); or

- (g) allow all or part of their Entitlement lapse (refer to section 4.9 of this Prospectus).

### **4.3 Taking up all of your Entitlement**

Should you wish to accept all of your Entitlement, then applications for Securities under this Prospectus must be made on the Entitlement and Acceptance Form which accompanies this Prospectus or by completing a BPAY® payment, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided and attach a cheque for the Application Monies indicated on the Entitlement and Acceptance Form.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque in Australian dollars, crossed "Not Negotiable" and made payable to "Great Western Exploration Limited" and lodged and received at any time after the issue of this Prospectus and on or before the Closing Date at the Company's Share Registry (by post) at:

By Post                      Great Western Exploration Limited  
                                    C/- Computershare Investor Services Pty Limited  
                                    GPO Box 505  
                                    Melbourne VIC 3001 Australia

If you wish to pay via BPAY® you must follow the personalised instructions in your Entitlement and Acceptance Form. Make sure that you use the specific Biller Code and unique Customer Reference Number (CRN) on your personalised Entitlement and Acceptance Form. You do not need to return a completed Entitlement and Acceptance Form but are taken to have made the declarations in the Entitlement and Acceptance Form and the representations outlined below in section 4.10. If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. Do not use the same CRN for more than one of your Shareholdings. This can result in your Application Monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any application in respect of your remaining Shareholdings will not be valid).

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY® are received by 5:00pm (WST) on the Closing Date.

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

### **4.4 Taking up all of you Entitlement and applying for Shortfall Securities**

In addition to the above, Eligible Shareholders who have subscribed for their Entitlement in full may apply for Shortfall Securities by:

- (a) completing the relevant section of their Entitlement and Acceptance Form and returning it together with a single cheque for the appropriate

Application Monies for both their Entitlement and the Shortfall Securities applied for; or

- (b) paying the appropriate Application Monies for both their Entitlement and the Shortfall Securities applied for via BPAY® using the BPAY® code and personalised reference number indicated on the Entitlement and Acceptance Form.

It is possible that there will be few or no Shortfall Securities available, depending on the level of acceptance of Entitlements by Eligible Shareholders. There is therefore no guarantee that in the event that Shortfall Securities are available for issue, they will be allocated to all or any of the Eligible Shareholders who have applied for them.

In the event there is an insufficient Shortfall to satisfy applications for Shortfall Securities, the Directors reserve the right to allocate any Shortfall Securities at their absolute discretion (in consultation with the Underwriter). The Company may issue to an Applicant under the Offer a lesser number of Shortfall Securities than the number applied for, reject an application for Shortfall Securities or not proceed with the issuing of all or part of the Securities. If the number of Shortfall Securities is less than the number applied for, surplus Application Monies will be refunded without interest.

#### **4.5 Selling all your Entitlement on ASX**

The Entitlements under the Offer are renounceable which means that all or part of an Eligible Shareholder's rights to subscribe for their Entitlement under the Offer may be traded on ASX. If you wish to sell all of your Entitlement on ASX, provide instructions to your stockbroker regarding the Entitlement you wish to sell on ASX. Trading of Entitlements will commence on ASX on Wednesday, 4 March 2020 and will cease on Thursday, 19 March 2020.

There is no guarantee that an Eligible Shareholder will be able to sell all or any part of their Entitlement on ASX or that any particular price will be paid for the Entitlements sold on ASX.

#### **4.6 Taking up a proportion of your Entitlement and selling the balance on ASX**

If you wish to take up only part of your Entitlement, complete the accompanying personalised Entitlement and Acceptance Form for the number of Shares you wish to take up and follow the steps in section 4.3 of this Prospectus, or make a payment by BPAY in accordance with section 4.14 of this Prospectus.

Subsequently, provide instructions to your stockbroker regarding the proportion of your Entitlement you wish to sell on ASX.

#### **4.7 Taking up a proportion of your Entitlement and allowing the balance to lapse**

If you wish to take up only part of your Entitlement and allow the balance to lapse, complete the accompanying personalised Entitlement and Acceptance Form for the number of Shares you wish to take up and follow the steps in section 4.3. If you take no further action, the balance of your Entitlement will lapse, and you will have forfeited any potential benefit to be gained from taking up or selling that part of your Entitlement.

#### **4.8 Selling all or a proportion of your Entitlement other than on ASX**

You may elect to transfer all or a proportion of your Entitlement to another person other than on ASX. If the purchaser of your Entitlement is an Ineligible Shareholder or a person that would be an Ineligible Shareholder if they were a registered holder of Shares, that purchaser will not be able to take up the Entitlement they have purchased.

If you are a Shareholder on the issuer sponsored subregister and you wish to transfer all or a proportion of your Entitlement to another person other than on ASX, forward a completed standard renunciation and transfer form (obtainable from the Share Registry) and the applicable transferee's cheque for the Shares they wish to subscribe for payable to "Great Western Exploration Limited" and crossed "Not Negotiable" to the Share Registry (by post at any time after the issue of this Prospectus and on or before the Closing Date) at the following address:

By Post                      Great Western Exploration Limited  
C/- Computershare Investor Services Pty Limited  
GPO Box 505  
Melbourne VIC 3001 Australia

If you wish to transfer all or a proportion of your Entitlement to or from another person on the CHESS subregister you must engage your CHESS controlling participant (usually your stockbroker). If the transferee wants to exercise some or all of the Entitlement, you should follow your stockbroker's instructions as to the most appropriate way to take up the Entitlement on their behalf. The Application Monies for Shares the transferee of the Entitlement wants to acquire must be received by Share Registry in accordance with section 4.3 of this Prospectus.

#### **4.9 Allow all or part of your Entitlement to lapse**

Shareholders should be aware that their Entitlement may have value. Entitlement are renounceable, which enable Eligible Shareholders who do not wish to take up part or all of their Entitlement to seek to sell or trade all or some of their Entitlements on ASX.

If you do not wish to accept or trade any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement or dispose of your Entitlement by the Closing Date, the Offer to you will lapse.

#### **4.10 Implications of an acceptance**

Returning a completed Entitlement and Acceptance Form or paying any Application Monies by BPAY® will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety; and
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® payment instruction is given in relation to any Application Monies, the application may not be varied or withdrawn except as required by law.

#### 4.11 Broker Options Offer

The Broker Options Offer is for an offer of 10,000,000 New Options to the Underwriter (or its nominee) pursuant to the Lead Manager Mandate, the details of which are set out in section 8.4 of this Prospectus.

The New Options will be issued the Underwriter on the terms and conditions set out in section 6.2 of this Prospectus.

All Shares issued on conversion of the Broker Options will rank equally with the Shares on issue at the date of this Prospectus.

No funds will be raised from the Broker Options Offer as the Broker Options are being issued for nil cash consideration.

The Broker Options Offer is a personal offer to the Underwriter (or its nominees). As such, New Options offered under the Broker Options Offer will be allocated and issued to those parties only.

#### 4.12 Minimum subscription

The minimum subscription in respect of the Offer is \$600,000 (which is equal to the Underwritten Amount). No Shares will be issued until the minimum subscription has been received. If the minimum subscription is not achieved within 4 months after the date of issue of this Prospectus, the Company will either repay the Application Monies to the Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Application and be repaid their Application Monies.

#### 4.13 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Great Western Exploration" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than 5:00 pm (WST) on the Closing Date.

#### 4.14 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

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

**It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 5:00 pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.** Any Application Monies received for more than your final

allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any Application Monies received or refunded.

#### **4.15 Underwriting and sub-underwriting**

The Offer is partially underwritten by the Underwriter up to the Underwritten Amount of \$600,000, that is, 300,000,000 Shares and 150,000,000 New Options. Refer to section 8.4 of this Prospectus for details of the terms of the underwriting.

The Underwriting Agreement gives the Underwriter the right to enter into sub-underwriting agreements to pass on some or all of its obligations to subscribe for the Shortfall under the Underwriting Agreement. The Underwriter and the Company confirm that no related parties will be sub-underwriters.

The Underwriter is not a related party of the Company for the purpose of the Corporations Act.

As at the date of this Prospectus, the Underwriter does not hold any Shares or Options. If the Underwriter were issued the maximum amount of Shortfall Shares that may be issued to the Underwriter under the Offer (i.e. 300,000,000 Shares), and no other person takes up their Entitlement or otherwise subscribes for Securities under the Offer, the Underwriter would hold 300,000,000 Shares, representing an overall undiluted interest in the Company of approximately 19.3%. The Underwriter's interest would be further diluted if the Company issues Shares to Optionholders on exercise of Options.

If, for example, the Offer is only 50% subscribed, the amount of Shortfall that may be issued to the Underwriter would be 250,539,888 Shares, representing an overall undiluted interest in the Company of approximately 14.3%. The Underwriter's interest would be further diluted if the Company issues Shares to Optionholders on exercise of Options.

The above two examples do not take into account any sub-underwriting commitments that are received by the Underwriter for the Shortfall and assumes that no Shares are subsequently placed to third parties (which would reduce the control impact).

It is unlikely that no Shareholder will subscribe for their Entitlement under the Offer. Furthermore, it is a term of the Underwriting Agreement that no person (including sub-underwriters) will be permitted to subscribe for Shortfall Securities if it would result in that person acquiring a relevant interest in more than 19.9% of the voting Shares of the Company on completion of the Offer.

The obligation of the Underwriter to underwrite the Offer is subject to certain events of termination which are set out in section 8.4 of this Prospectus.

#### **4.16 Dilution**

If all Entitlements are accepted by Shareholders to the full extent, then the Offer will not result in any change to the control of the Company. If all Entitlements under the Offer are not accepted to the full extent, then the shareholding interest of non-participating Shareholders will be diluted.

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 40% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders assuming no New Options have been exercised is set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	10,000,000	0.80%	4,000,000	10,000,000	0.57%
Shareholder 2	5,000,000	0.40%	2,000,000	5,000,000	0.28%
Shareholder 3	1,500,000	0.12%	600,000	1,500,000	0.086%
Shareholder 4	400,000	0.03%	160,000	400,000	0.023%

**Notes:**

1. Assumes full subscription.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

#### **4.17 Shortfall Offer**

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer of Securities made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.002 being the price at which Shares have been offered under the Offer.

Eligible Shareholders who wish to subscribe for Securities above their Entitlement are invited to apply for Shortfall Securities under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shortfall Securities in accordance with section 4.4 of this Prospectus.

Shortfall Securities will be issued under the Shortfall Offer at the absolute discretion of the Directors (in consultation with the Underwriter), and as such there is no guarantee that any Shortfall Securities applied for will be issued to Eligible Shareholders. The Company will have no liability to any Applicant who receives less than the number of Shortfall Securities applied for.

The Directors reserve the right to issue Shortfall Securities to the Underwriter pursuant to the Shortfall Offer in lieu of fees owed to the Underwriter, in accordance with the terms of the Underwriting Agreement. Refer to section 8.4 of this Prospectus for further details.

If the Underwriting Agreement is terminated due the occurrence of one of the termination events set out in section 8.4 of this Prospectus, the Directors reserve the right to issue Shortfall Securities at their absolute discretion.

#### **4.18 Commissions payable**

The Company reserves the right to pay a commission of 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

#### **4.19 ASX listing**

Application for Official Quotation of the Shares and New Options offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Securities offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Securities and will repay all Application Monies for the Securities within the time prescribed under the Corporations Act, without interest.

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

#### **4.20 Issue of Securities**

Securities issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

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

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all Application Monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Shortfall Securities issued under the Shortfall Offer as soon as practicable after their issue.

#### **4.21 Overseas shareholders**

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

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

The Offer is being made in New Zealand pursuant to the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

However, pursuant to ASX Listing Rule 7.7, the Company has appointed a nominee, Mahe Capital Pty Ltd, to sell the Entitlements to which Ineligible Shareholders are entitled. The nominee will have the absolute and sole discretion

to determine the timing and price at which the Entitlements may be sold and the manner of any such sale.

The proceeds of the sale of these Entitlements will then be forwarded by the Company as soon as practicable to the Ineligible Shareholders, in proportion to their share of such Entitlements (after deducting brokerage commission and other expenses). If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company.

Notwithstanding that the nominee may sell Entitlements, Ineligible Shareholders may nevertheless receive no net proceeds if the costs of the sale are greater than the sale proceeds.

Neither the Company nor the nominee will be subject to any liability for failure to sell the Entitlements or to sell them at a particular price. If, in the reasonable opinion of the nominee, there is no viable market for the Entitlements of the Ineligible Shareholders, or a surplus over the expenses of the sale cannot be obtained the Entitlements that would have been offered to the Ineligible Shareholders, then those Entitlements will be allowed to lapse. The Shares not taken up will form part of the Shares to be taken up by the Underwriter pursuant to the Underwriting Agreement.

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

#### **4.22 Enquiries**

Any questions concerning the Offer should be directed to Justin Barton, Company Secretary on +61 8 6311 2852.

## 5. PURPOSE AND EFFECT OF THE OFFER

### 5.1 Purpose of the Offer

The purpose of the Offer is to raise up to \$1,002,159. No funds will be raised from the issue of the New Options.

The funds raised from the Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	Minimum Subscription (\$)	%	Full Subscription (\$)	%
1.	Yandal West – Airborne EM	100,000	17	100,000	10
2.	Yandal West – RC Drilling (Gold)	100,000	17	150,000	15
3.	Yandal West – RC Drilling (VMS base metals)	100,000	17	150,000	15
4.	Yerrida – RC Drilling (gold)	70,000	12	140,000	14
5.	Yerrida – AC Drilling (V, Cu)	-	-	100,000	10
6.	Lake Way – Geophysics (potash)	-	-	25,000	2
7.	Lake Way – Consultants (potash)	-	-	30,000	3
8.	Expenses of the Offer <sup>1</sup>	112,469	18	119,576	12
9.	Working capital	117,531	19	187,583	19
	<b>Total</b>	<b>600,000</b>	<b>100</b>	<b>\$1,002,159</b>	<b>100</b>

#### Notes:

1. Refer to section 8.8 of this Prospectus for further details relating to the estimated expenses of the Offer.

In the event the Company raises less than the Full Subscription of \$1,002,159, the funds will be scaled back in the following order:

1. Working capital;
2. Lake Way Potash;
3. Yerrida Vanadium; then
4. Yerrida – Gold.

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

### 5.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted and no

Options are exercised prior to the Record Date, will be to:

- (a) increase the cash reserves by \$882,583 (after deducting the estimated expenses of the Offer of \$119,576) immediately after completion of the Offer;
- (b) increase the number of Shares on issue from 1,252,699,442 as at the date of this Prospectus to 1,753,779,219 Shares following completion of the Offer; and
- (c) increase the number of Options on issue from 357,500,132 as at the date of this Prospectus to 608,040,021 Options following completion of the Offer.

### 5.3 Pro-forma balance sheet

The unaudited balance sheet as at 31 December 2019 and the unaudited pro-forma balance sheet as at 31 December 2019 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options are exercised prior to the Record Date and including expenses of the Offer.

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

	UNAUDITED 31 December 2019	PROFORMA 31 December 2019
<b>CURRENT ASSETS</b>		
Cash <sup>1</sup>	\$277,316	\$1,159,899
Other current assets	\$297,628	\$297,628
<b>TOTAL CURRENT ASSETS</b>	<b>\$574,944</b>	<b>\$1,457,527</b>
<b>NON-CURRENT ASSETS</b>		
Exploration <sup>1</sup>	\$10,051,823	\$10,051,823
Other non-current assets	\$6,417	\$6,417
<b>TOTAL NON-CURRENT ASSETS</b>	<b>\$10,058,240</b>	<b>\$10,058,240</b>
<b>TOTAL ASSETS</b>	<b>\$10,633,184</b>	<b>\$11,515,767</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	\$302,487	\$302,487
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$302,487</b>	<b>\$302,487</b>

	UNAUDITED 31 December 2019	PROFORMA 31 December 2019
<b>TOTAL LIABILITIES</b>	\$302,487	\$302,487
<b>NET ASSETS (LIABILITIES)</b>	\$10,330,697	\$11,213,280
<b>EQUITY</b>		
Share capital	\$30,452,910	\$31,335,493
Options Reserve	\$898,867	\$898,867
Retained loss	(\$21,021,080)	(\$21,021,080)
<b>TOTAL EQUITY</b>	<b>\$10,330,697</b>	<b>\$11,213,280</b>

#### 5.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, is set out below.

##### Shares

	Number
Shares currently on issue	1,252,699,442
Shares offered pursuant to the Offer	501,079,777
<b>Total Shares on issue after completion of the Offer</b>	<b>1,753,779,219</b>

##### Options

	Number
Options currently on issue (quoted): (Quoted exercisable at \$0.01 on or before 30 June 2021)	287,500,132
Options currently on issue (unquoted): (exercisable at \$0.02 on or before 30 June 2020)	25,000,000
(exercisable at \$0.022 on or before 12 October 2020)	15,000,000
(exercisable at \$0.02 on or before 31 December 2021)	16,000,000
New Options offered pursuant to the Offer (Quoted exercisable at \$0.005 on or before 31 August 2021)	250,539,889
New Options offered pursuant to the Broker Options Offer (Quoted exercisable at \$0.005 on or before 31 August 2021)	10,000,000
<b>Total Options on issue after completion of the Offer</b>	<b>604,040,021</b>

The capital structure on a fully diluted basis as at the date of this Prospectus would be 1,596,199,574 Shares and on completion of the Offer (assuming all Entitlements are accepted and all Options are exercised into Shares) would be 2,357,819,240 Shares.

No Shares or Options on issue are subject to escrow restrictions, either voluntary or ASX imposed.

## 5.5 Details of substantial holders

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

Shareholder	Shares	%
Kevin Somes	73,643,595 <sup>1</sup>	5.88% <sup>2</sup>

### Notes:

- Mr Somes interest in Shares in the Company is held both directly and beneficially as follows:
  - 35,786,839 beneficially through Jane Elizabeth Somes and Ms Amy Jane Somes <Jane Somes Pension Fund A/C>;
  - 15,141,827 jointly between Kevin Clarence Somes and John Cooke;
  - 5,460,099 in his own name directly; and
  - 17,254,830 beneficially through <KCS Superannuation Pty Ltd>.
- Based on the undiluted share capital of 1,252,699,442 Shares as at the date of this Prospectus.

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

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

### **6.1 Shares**

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

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

#### **(a) General meetings**

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

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

#### **(b) Voting rights**

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

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

#### **(c) Dividend rights**

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

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

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

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

(d) **Winding-up**

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

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

(e) **Shareholder liability**

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

(f) **Transfer of shares**

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

(g) **Future increase in capital**

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

(h) **Variation of rights**

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

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

(i) **Alteration of constitution**

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

## 6.2 New Options

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.005 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 31 August 2021 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

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

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Transferability**

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

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## **7. RISK FACTORS**

### **7.1 Introduction**

- (a) The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.
- (b) There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Securities.

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

### **7.2 Company specific**

#### **(a) Potential for significant dilution**

Upon implementation of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date the number of Shares in the Company will increase from 1,252,699,442 currently on issue to 1,753,779,219. This means that each Share will represent a significantly lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.003 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

#### **(b) Tenure, access and grant of applications**

Interests in tenements in Western Australia are governed by the Mining Act and Regulations that are on foot and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in its tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

All of the tenements in which the Company has an interest (or tenements in which the Company may acquire an interest in the future), will be subject to applications for renewal or exemption from expenditure (as the case may be). The renewal or exemption from expenditure for a tenement is usually determined at the discretion of the relevant government authority.

If a tenement is not renewed or granted an exemption from expenditure, the Company may suffer damage through loss of opportunity to develop and discover minerals on that tenement.

(c) **Management**

The Company's operational success depends substantially on the continuing efforts of Directors and senior management. The loss of services of one or more Directors or senior management may have an adverse effect on the Company's operations. Furthermore, if the Company is unable to attract, train and retain key individuals and other highly skilled employees and consultants, its business may be adversely affected. Key personnel have been covered by executive services agreements and contractor agreements and in most instances, incentive plans to ensure that key personnel are incentivised and rewarded for performance.

(d) **Exploration success**

The Company's tenements are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the tenements, or any other licenses that may be acquired in the future, will result in the discovery of mineral resources or an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The Company has not yet published resource estimates for any prospects. There is no assurance that exploration or project studies by the Company will result in the definition of an economically viable mineral deposit or that the exploration tonnage estimates and conceptual project developments discussed in this Prospectus are able to be achieved.

(e) **Exploration costs**

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(f) **Future capital needs**

The future capital requirements of the Company will depend on many factors. The Directors believe that the proceeds of the Offer (based on raising the minimum subscription) should be adequate to fund its business activities and to continue as a going concern in the short term however changes to operational requirements, market conditions and the identification of other opportunities may mean further funding is required by the Company at an earlier stage than is currently anticipated.

Should the Company require additional funding, there can be no assurance that additional financing will be available, either on

acceptable terms or at all. Any inability to obtain additional funding, if required, will have a material adverse effect on the Company's business, its financial condition and performance, and its ability to continue as a going concern.

Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the Offer and may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

The Company may undertake offerings of securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company's existing Shareholders will be diluted.

### **7.3 Industry specific**

#### **(a) Mineral Resources Estimates**

Mineral resource estimates are expressions of judgment based on drilling results, past experience with mining properties, knowledge, experience, industry practice and many other factors. Estimates which are valid when made may change substantially when new information becomes available.

The actual quality and characteristics of mineral deposits cannot be known until mining takes place and will almost always differ from the assumptions used to develop mineral resources. Consequently, the actual mineral resources may differ from those estimated, which may result in either a positive or negative effect on operations.

Should the Company's projects encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, mineral resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

#### **(b) Exploration risk**

The exploration for, and development of, mineral deposits involves a high degree of risk. Few properties which are explored are ultimately developed into producing mines. Resource exploration and development is a speculative business, characterised by a number of significant risks, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits, but also from finding mineral deposits that, although present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors that are beyond the control of the Company and that cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return on investment capital.

Whether a mineral deposit will be commercially viable depends on a number of factors, which include, without limitation, the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices, which fluctuate widely, and government regulations, including, without limitation, regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The combination of these factors may result in the Company expending significant resources (financial and otherwise) on a property without receiving a return. There is no certainty that expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries of an economically viable mineral deposit.

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

(c) **Safety risks**

Safety is a fundamental risk for any exploration and production company in regard to personal injury, damage to property and equipment and other losses. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage to or destruction of property, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.

The Company intends on developing a set of safety procedures to identify issues and mitigation strategies.

(d) **Native title**

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

Native title can be extinguished by valid grants of land or waters to people other than the native title holders or by valid use of land or waters. It can also be extinguished if the indigenous group has lost their connection with the relevant land or waters. Native title is not extinguished by the grant of mining leases, as they are not considered to be grants of exclusive possession. A valid mining lease prevails over native title to the extent of any inconsistency for the duration of the title.

For tenements to be validly granted (or renewed) after 23 December 1996 the special "right to negotiate" regime established by the Native Title Act must be followed.

It is important to note that the existence of a native title claim is not an indication that native title in fact exists to the land covered by the claim, as this is a matter ultimately determined by the Federal Court.

Land access agreements (**LAAs**) provide the framework in which the Company can carry out exploration on a tenement within a native title claim area. Negotiations and subsequent execution of these agreements can significantly delay the granting of tenements and/or ground disturbing activities. Furthermore, native title groups generally do not disclose significant cultural and heritage sites until work is proposed in those areas, which is normally after an LAA has been executed, the tenement is granted, and exploration has commenced. Significant heritage sites, whether they are known or unknown, are protected under the *Heritage Act 2018* and work cannot be carried out within a Heritage site unless the Company has Ministerial approval. Subsequent to the grant of exploration licence E53/1612, which comprises part of the Yandal West project, the Company was notified that it had potentially disturbed or interfered with an area on the Kultju Native Title Determination Area. The Company is confident that it can resolve the matter in an expeditious manner.

Native title claims can be made after a tenement has been granted which can also cause delays to ground disturbing works until a LAAs is negotiated and agreed between the relevant parties.

The Company must also comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken ahead of the commencement of exploration and mining operations.

The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

(e) **Government Regulation**

Any material adverse changes in government policies or legislation that affect mining, processing, development and mineral exploration activities, income tax laws, royalty regulations, government subsidies and environmental issues may affect the viability and profitability of the Company's current and future projects.

The mining, processing, development and mineral exploration activities of the Company's projects are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, indigenous land claims, and other matters. Furthermore, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of mining or more stringent implementation thereof could have a substantial adverse impact on the current and any future project and hence the Company.

(f) **Environmental**

The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment,

particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

(g) **Equipment and availability**

The Company's ability to undertake mining and exploration activities is dependent upon its ability to source and acquire appropriate mining equipment. Equipment is not always available and the market for mining equipment experiences fluctuations in supply and demand. If the Company is unable to source appropriate equipment economically or at all then this would have a material adverse effect on the Company's financial or trading position.

## **7.4 General risks**

(a) **Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) **Market conditions**

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

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;

- the demand for, and supply of, capital; and
- terrorism or other hostilities.

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

**(c) Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

**(d) Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

**(e) Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

**(f) Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

## **7.5 Speculative investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others

not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

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## **8. ADDITIONAL INFORMATION**

### **8.1 Litigation**

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

### **8.2 Continuous disclosure obligations**

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

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

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

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

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

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

- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

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

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

Date	Description of Announcement
14 February 2020	Appointment of Executive Chairman
6 February 2020	Lake Way Potash Update
5 February 2020	Management Restructure
31 January 2020	Quarterly Activities Report
31 January 2020	Quarterly Cashflow Report
20 December 2019	Further High-Grade Gold Intersected at Yandal West
9 December 2019	Final Director's Interest Notice
29 November 2019	Results of Meeting
28 November 2019	Change of Business Address
27 November 2019	Further Gold Intersected at Yandal West and VMS Potential
11 November 2019	Harris Find High Grade Gold Target and Drilling Completed at
31 October 2019	High-Grade Gold Outcropping at Yandal West
30 October 2019	Quarterly Activities Report
30 October 2019	Quarterly Cashflow Report
29 October 2019	Non Executive Director
29 October 2019	Appendix 4G - 2019

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

The announcements are also available through the Company's website [www.greatwesternexploration.com](http://www.greatwesternexploration.com).

### 8.3 Market price of shares

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

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

	Price	Date
<b>Highest</b>	\$0.004	12 February 2020
<b>Lowest</b>	\$0.003	27 February 2020
<b>Last</b>	\$0.003	27 February 2020

### 8.4 Underwriting Agreement

By a lead manager mandate (**Lead Manager Mandate**) and an underwriting agreement (**Underwriting Agreement**), each between the Company and Mahe Capital Pty Ltd (**Underwriter** or **Mahe Capital**), Mahe Capital has been appointed Lead Manager to the Offer and has agreed to partially underwrite the Offer for 300,000,000 Shares and 150,000,000 New Options (**Underwritten Securities**).

In consideration for its engagement, the Company has agreed to pay Mahe Capital:

- (a) a lead manager fee of \$45,000 (excluding GST), which, upon request by Mahe Capital, may be satisfied by the issue of Shares to Mahe Capital (or its nominees) from the shortfall under the Shortfall Offer;
- (b) a management fee of 1% of the total amount raised under the Offer (excluding GST) which, upon request by Mahe Capital, may be satisfied by the issue of Shares to Mahe Capital (or its nominees) from the shortfall under the Shortfall Offer;
- (c) an underwriting fee of \$30,000 (being 5% of the Underwritten Amount (excluding GST)); and
- (d) a placement fee of 5% of any Shortfall Securities placed beyond the Underwritten Amount (excluding GST).

In addition, the Company has agreed to issue the Underwriter (or its nominee(s)) 10,000,000 New Options as part consideration for services provided to the Company in connection with the Offer.

The Company has also agreed to pay the Underwriter for all out of pocket expenses reasonably incurred in relation its engagement as Lead Manager and Underwriter to the Offer.

The Company has also agreed to offer Mahe Capital the lead manager role in any future capital raisings undertaken by the Company within 6 months of completion of the Offer.

The obligation of the Underwriter to underwrite the Offer is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if:

- (a) **(Indices fall)**: the All Ordinaries Index as published by ASX is at any time after the date of this Agreement 7% or more below its respective level as at the close of business prior to the date of the Underwriting Agreement;
- (b) **(Commodities)**: the price of COMEX gold or NYMEX WTI crude is at any time after the date of this agreement 7% or more below its respective level as at the close of business on the Business Day prior to this Agreement;
- (c) **(Prospectus)**: the Company does not lodge the Prospectus on the lodgement date or the Prospectus or the Offer is withdrawn by the Company;
- (d) **(No Listing Approval)**: the Company fails to lodge an Appendix 3B in relation to the Underwritten Securities with ASX by the time required by the Listing Rules, the Corporations Act or any other regulations;
- (e) **(No Official Quotation)**: ASX has advised the Company that it will not or may not grant official quotation to the Underwritten Securities or admit the Company to trading on the ASX following completion of the Offer (including issue of the Shortfall Securities) on or prior to the date which is four (4) Business Days after the Closing Date;
- (f) **(Price)**: the Offer price (being \$0.002) is greater than the volume weighted average market price for Shares as quoted by the ASX calculated over three trading days prior to allotment of new Shares;
- (g) **(Supplementary prospectus)**:
  - (i) the Underwriter forms the view on reasonable grounds that a supplementary prospectus should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a supplementary prospectus in such form and content and within such time as the Underwriter may reasonably require; or
  - (ii) the Company lodges a supplementary prospectus without the prior written agreement of the Underwriter;
- (h) **(Non-compliance with disclosure requirements)**: it transpires that the Prospectus does not contain all the information that investors and their professional advisers would reasonably require to make an informed assessment of:
  - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
  - (ii) the rights and liabilities attaching to the Underwritten Securities;
- (i) **(Misleading Prospectus)** it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of sections 711, 713 and 716 of the Corporations Act) or if any statement in the Prospectus becomes misleading or deceptive or likely to

mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive;

- (j) **(Restriction on issue)**: the Company is prevented from issuing the Underwritten Securities within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- (k) **(Withdrawal of consent to Prospectus)**: any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent;
- (l) **(ASIC application)**: an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Prospectus, the shortfall notice dealing date has arrived, and that application has not been dismissed or withdrawn;
- (m) **(ASIC hearing)**: ASIC gives notice of its intention to hold a hearing under section 739 of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or ASIC makes an interim or final stop order in relation to the Prospectus under section 739 of the Corporations Act;
- (n) **(Takeovers Panel)**: the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel;
- (o) **(Hostilities)**: there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China, Israel or any member of the European Union other than hostilities involving Libya, Afghanistan, Iraq, Iran, Syria, Lebanon or Israel, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;
- (p) **(Authorisation)**: any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter acting reasonably;
- (q) **(Event of Insolvency)**: an event of insolvency (meaning the appointment of a receiver, manager or liquidator or provisional liquidator) occurs in respect of a Relevant Company;
- (r) **(Indictable offence)**: a director or senior manager of a Relevant Company is charged with an indictable offence;
- (s) **(Termination Events)**: subject always to the events listed below entitling the Underwriter to exercise its termination rights under the Underwriting Agreement if in the opinion of the Underwriter, the breach or the event has or is likely to have, or could be expected to have, a Material Adverse

Effect or could give rise to a liability of the Underwriter under the Corporations Act, upon the occurrence of any of the following events:

- (i) **(Default)**: default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;
- (ii) **(Incorrect or untrue representation)**: any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect;
- (iii) **(Contravention of constitution or Act)**: a contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
- (iv) **(Adverse change)**: an event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a likely Material Adverse Effect after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of the Company or its subsidiaries including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;
- (v) **(Error in Due Diligence Results)**: it transpires that any of the due diligence results or any part of the verification material was false, misleading or deceptive or that there was an omission from them;
- (vi) **(Significant change)**: a "new circumstance" as referred to in section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
- (vii) **(Public statements)**: without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer or the Prospectus other than a statement the Company is required to make in order to comply with its disclosure obligations under the Listing Rules and/or the Corporations Act;
- (viii) **(Misleading information)**: any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the affairs of the Company or its subsidiaries is or becomes misleading or deceptive or likely to mislead or deceive;
- (ix) **(Change in Act or policy)**: there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its states or territories any act or prospective act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy that has not been publicly disclosed or proposed as at the date of the Underwriting Agreement;

- (x) **(Prescribed Occurrence)**: a prescribed occurrence (as that term is defined in the Underwriting Agreement) occurs, other than as disclosed in the Prospectus;
- (xi) **(Judgment against a Relevant Company)**: a judgment in an amount exceeding \$100,000.00 is obtained against the Company or its subsidiaries and is not set aside or satisfied within 7 days;
- (xii) **(Litigation)**: litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against any relevant company, other than any claims foreshadowed in the Prospectus;
- (xiii) **(Board and senior management composition)**: there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the Underwritten Securities without the prior written consent of the Underwriter, such consent not to be unreasonably withheld;
- (xiv) **(Change in shareholdings)**: there is a material change in the major or controlling shareholdings of the Company or its subsidiaries (other than as a result of the Offer or a matter disclosed in the Prospectus) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to the Company or its subsidiaries;
- (xv) **(Force Majeure)**: a force majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs;
- (xvi) **(Certain resolutions passed)**: a relevant company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (xvii) **(Capital Structure)**: any relevant company alters its capital structure in any manner not contemplated by the Prospectus excluding the issue of any Shares upon the exercise of options issued in the Company, such options having been disclosed to the ASX as at the date of the Underwriting Agreement;
- (xviii) **(Breach of Material Contracts)**: any of the Company's material contracts are terminated or substantially modified;
- (xix) **(Investigation)**: any person is appointed under any legislation in respect of companies to investigate the affairs of the Company or its subsidiaries; or
- (xx) **(Market Conditions)**: a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

Should the Underwriter terminate for any of the reasons stated above, the Underwriter will be entitled to receive a \$30,000 termination fee.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

## 8.5 Interests of Directors

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

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

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

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

### Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Shares <sup>1</sup>	Options <sup>2</sup>	Entitlement	\$
Kevin Somes	73,643,595 <sup>3</sup>	10,150,297	29,457,438	\$59,915
Jordan Luckett	36,427,333 <sup>4</sup>	4,681,500	14,570,934	\$29,142
Terrance Grammer	2,400,000	400,000	960,000	\$1,920

#### Notes:

1. Fully paid ordinary shares in the capital of the Company.
2. Quoted Options, exercisable at \$0.01 and expiring on 30 June 2021.
3. Mr Somes interest in Shares in the Company is held both directly and beneficially as follows:
  - 35,786,839 beneficially through Jane Elizabeth Somes and Ms Amy Jane Somes <Jane Somes Pension Fund A/C>;
  - 15,141,827 jointly between Kevin Clarence Somes and John Cooke;
  - 5,460,099 in his own name directly; and
  - 17,254,830 beneficially through <KCS Superannuation Pty Ltd>.

4. Interest held beneficially through <Lockett Family A/C>.

Each of the Directors, being Shareholders, reserve the right to participate in the Offer. Each Director will decide whether to take up their Entitlement based on their financial position at the relevant time of providing an Application Form under the Offer.

If any of the Directors do participate under the Offer, the Company will ensure compliance with ASX Listing Rules and make the relevant announcements on ASX in the form of an Appendix 3Y.

### **Remuneration**

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$250,000 per annum.

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

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	FY2018 <sup>1</sup>	FY2019 <sup>1</sup>	FY2020 <sup>1</sup>
Kevin Somes	\$60,225	\$60,225	\$60,225
Jordan Lockett	\$321,400	\$284,336	\$220,000
Terrance Grammer	\$38,325	\$38,325	\$38,325

**Notes:**

1. Includes statutory superannuation.

## **8.6 Interests of experts and advisers**

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

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

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

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

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

- (a) the formation or promotion of the Company; or
- (b) the Offer.

Mahe Capital Pty Ltd will be paid the fees set out in section 8.4 of this Prospectus to act as Underwriter and Lead Manager to the Offer. During the 24 months preceding lodgement of this Prospectus with the ASIC, Mahe Capital Pty Ltd has not been paid any fees by the Company.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$38,388 (excluding GST and disbursements) for legal services provided to the Company.

Mahe Capital Pty Ltd has been appointed as the nominee under ASX Listing Rule 7.7. Mahe Capital Pty Ltd will be paid for this service on standard industry terms and conditions.

## **8.7 Consents**

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

Each of the parties referred to in this section:

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

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

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

Mahe Capital Pty Ltd has given its written consent to being named as Underwriter and Lead Manager to the Offer in this Prospectus, in the form and context in which it is named. Mahe Capital has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Bentleys Audit & Corporate Pty Ltd has given its written consent to being named as the auditor to the Company in this Prospectus. Bentleys Audit & Corporate Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Computershare Investor Services Pty Ltd (Computershare) has given its written consent to being named as the share registry to the Company in this Prospectus, in the form and context in which it is named. Computershare has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Mahe Capital Pty Ltd has given and has not withdrawn its consent to be named as the Company's nominee under ASX Listing Rule 7.7. Mahe Capital Pty Ltd has not caused or authorised the issue of this Prospectus, and expressly disclaims and takes no responsibility for, any part of this Prospectus.

## 8.8 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$119,576 (excluding GST) and are expected to be applied towards the items set out in the table below:

	Full Subscription (\$)	Minimum Subscription (\$)
ASIC fees	3,206	3,206
ASX fees	14,119	11,263
Lead Manager and Underwriter Fee	85,021	81,000
Legal fees	15,000	15,000
Printing and distribution	2,000	2,000
<b>Total</b>	<b><u>119,576</u></b>	<b><u>112,469</u></b>

## 8.9 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 8 6311 2852 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at [www.greatwesternexploration.com](http://www.greatwesternexploration.com)

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and

any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

#### **8.10 Financial forecasts**

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

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

The Company will not be issuing share or option certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

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

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

#### **8.12 Privacy Act**

If you complete an application for Securities, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

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

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

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

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**9. DIRECTORS' AUTHORISATION**

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

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



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**Jordan Lockett**  
**Managing Director**  
**For and on behalf of**  
**GREAT WESTERN EXPLORATION LIMITED**

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## 10. GLOSSARY

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

**Applicant** means a Shareholder who applies for Shares pursuant to the Offers or a Shareholder or other party who applies for Shortfall Shares pursuant to the Shortfall Offer.

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

**Application Monies** means the money which must be paid to subscribe for Securities in accordance with the Offer.

**ASIC** means the Australian Securities and Investments Commission.

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

**ASX Listing Rules** and **Listing Rules** means the listing rules of the ASX.

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

**Board** means the board of Directors unless the context indicates otherwise.

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

**Closing Date** means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

**Company** means Great Western Exploration Limited (ACN 123 631 470).

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

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

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

**Eligible Shareholder** means a Shareholder who is eligible to participate in the Offer.

**Entitlement** means the entitlement of an Eligible Shareholder.

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

**Force Majeure** means any act of God, war, revolution, or any other unlawful act against public order or authority, an industrial dispute, a governmental restraint, or any other event which is not within the control of the Underwriter and the Company.

**Lead Manager** means Mahe Capital Pty Ltd (ABN 91 634 087 684) (AFSL 517 246).

**Material Adverse Effect** means:

- (a) a material adverse effect on the outcome of the Offer or on the subsequent market for the Underwritten Securities (including, without limitation, matters likely to have a material adverse effect on a decision of an investor to invest in the Underwritten Securities); or
- (b) a material adverse effect on the assets, condition, trading or financial position and performance, profits and losses, results, prospects, business or operations of the Company and its subsidiaries (if applicable) either individually or taken as a whole.

**New Option** means an Option issued on the terms set out in section 6.2 of this Prospectus.

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

**Offers** means the Offer and the Broker Option Offer.

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

**Option** means an option to acquire a Share.

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

**Prospectus** means this prospectus.

**Record Date** means the date specified in the timetable set out at the commencement of this Prospectus.

**Relevant Company** means the Company and any related body corporate of the Company.

**Securities** means Shares and/or New Options.

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

**Shareholder** means a holder of a Share.

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

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

**Shortfall Offer** means the offer of the Shortfall on the terms and conditions set out in section 4.17 of this Prospectus.

**Shortfall Securities** means those Securities issued pursuant to the Shortfall.

**Shortfall Shares** mean Shares issued pursuant to the Shortfall.

**Underwriter** or **Mahe Capital** means Mahe Capital Pty Ltd (ABN 91 634 087 684) (AFSL 517 246).

**Underwriting Agreement** has the meaning given in section 8.4 of this Prospectus.

**Underwritten Amount** means \$600,000.

**Underwritten Securities** means 300,000,000 Shares and 150,000,000 New Options.

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