

**TMK ENERGY LIMITED**  
**ACN 127 735 442**

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**OPTIONS PROSPECTUS**

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For the offers of:

- (a) up to 193,789,650 free New Options, on the basis of one (1) New Option for every two (2) Shares subscribed for by Investors in the Placement (**Placement Options Offer**);
- (b) up to 2,750,000 free New Options, on the basis of one (1) New Option for every two (2) Shares subscribed for by Directors in the Placement (**Director Offer**);
- (c) 65,513,217 New Options to the Lead Manager (or its nominee) of the Placement (**Broker Options Offer**),

(together, the **Offers**).

**IMPORTANT NOTICE**

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

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

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## IMPORTANT NOTICE

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

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

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

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

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

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

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

### No Investment Advice

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

### Forward-looking statements

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

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

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

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

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

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

### No offering where offering would be illegal

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. It is important that investors read this Prospectus in its entirety and seek professional advice where necessary.

No action has been taken to register or qualify the Securities or the offers, or to otherwise permit a public offering of the Securities in any jurisdiction outside Australia. This Prospectus has been prepared for publication in Australia and may not be released or distributed in the United States of America.

For further information on overseas Shareholders please refer to Section 2.14.

### Information for New Zealand Residents

The Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

The Offer and the content of this Prospectus are principally governed by Australian rather

than New Zealand law. In the main part, the Corporations Act and the regulations made under that Act set out how the Offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to the Offer. If you need to make a complaint about the Offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market

operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

#### **US securities law matters**

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the US. In particular, the Securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the **US Securities Act**), and may not be offered or sold in the US or to, or for the account or benefit of, US Persons (as defined in Regulation S under the US Securities Act) or an exemption is available from the registration requirements of the US Securities Act.

Each applicant will be taken to have represented, warranted and agreed as follows:

- (a) it understands that the Securities have not been, and will not be, registered under the US Securities Act and may not be offered, sold or resold in the US, except in a transaction exempt from, or not subject to, registration under the US Securities Act and any other applicable securities laws;
- (b) it is not in the US;
- (c) it has not and will not send this Prospectus or any other material relating to the Offers to any person in the US; and

it will not offer or sell the Securities in the US or in any other jurisdiction outside Australia except in transactions exempt from, or not subject to, registration under the US Securities Act and in compliance with all applicable laws in the jurisdiction in which the Securities are offered and sold.

#### **Continuous disclosure obligations**

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable

person would expect to have a material effect on the price or the value of its Securities.

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

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

Please refer to Section 6.2 for further details.

#### **Electronic Prospectus**

A copy of this Prospectus can be downloaded from the website of the Company at [www.tmkenergy.com.au](http://www.tmkenergy.com.au). If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus, or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 8 6319 1900 during office hours or by emailing the Company at [info@tmkenergy.com.au](mailto:info@tmkenergy.com.au).

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

the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

#### **Company Website**

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

#### **Financial forecasts**

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

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

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

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

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

#### **Photographs and Diagrams**

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be

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

#### **Definitions and Time**

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

All references to time in this Prospectus are references to Australian Western Standard Time.

#### **Privacy statement**

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

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

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

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

#### **Enquiries**

If you are in any doubt as to how to deal with any of the matters

raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offers please call the Company Secretary on +61 8 6319 1900.

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## CORPORATE DIRECTORY

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### Directors

Brett Lawrence  
Non-Executive Director

Tim Wise  
Non-Executive Director

Gema Gerelsaikhan  
Non-Executive Director

John Warburton  
Non-Executive Director

### Company Secretary

Dougal Ferguson

### Registered Office

1202 Hay Street  
WEST PERTH WA 6005

Telephone: + 61 8 6319 1900

Email: [info@tmkenenergy.com.au](mailto:info@tmkenenergy.com.au)  
Website: [www.tmkenenergy.com.au](http://www.tmkenenergy.com.au)

### ASX Code

TMK

### Lawyers

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

### Share Registry\*

Automic Registry Services  
Level 2, 267 St Georges Terrace  
PERTH WA 6000

Telephone: +61 8 9324 2099  
Facsimile: +61 8 9321 2337

### Joint Lead Managers

Bell Potter Securities Limited  
Level 20 Brookfield Place  
125 St Georges Terrace  
Perth WA 6000

Telephone: 1300 023 557

PAC Partners Securities Pty Ltd  
Suite 2.1, Level 2  
9 Havelock Street  
West Perth WA 6005

Telephone: +61 (03) 9114 7400

### Auditors\*

BDO Audit (WA) Pty Ltd  
Level 9, Mia Yellagonga Tower 2,  
5 Spring Street  
PERTH WA 6000

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

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**1. INDICATIVE TIMETABLE**

Action	Date*
Lodgement of Prospectus with ASIC and ASX	28 April 2023
Opening Date	28 April 2023
Closing Date (5:00pm AWST)	3 May 2023
Issue of New Options under the Placement Options Offer and Broker Options Offer	3 May 2023
Expected date of Official Quotation of New Options under the Placement Options Offer and Broker Options Offer	3 May 2023
General Meeting of Shareholders	31 May 2023
Issue of New Options under the Director Offer	31 May 2023

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

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## **2. DETAILS OF THE OFFERS**

### **2.1 Background**

The Company announced on 20 April 2023 that it had received binding commitments from sophisticated, professional, and institutional investors (**Investors**) for a placement of 393,079,300 Shares at an issue price of \$0.0145 per Share to raise \$5.7 million (**Placement**).

In the same announcement, the Company advised that the Investors would be entitled to apply for one (1) New Option for every (2) Shares subscribed for by Investors under the Placement (**Placement Options Offer**).

The Company confirmed by way of announcement on 28 April 2023 that it had completed the allotment and issue of the Shares to Investors under the Placement. The Company issued the Placement Shares utilising its available placement capacity under ASX Listing Rule 7.1.

The Placement included participation by the Directors, Professor John Warburton and Mr. Tim Wise (**Participating Directors**). As part of the Placement, Professor John Warburton agreed to subscribe for 4,000,000 Shares, with attaching New Options, to raise a total of \$58,000. Mr. Wise agreed to subscribe for 1,500,000 Shares, with attaching New Options, to raise a total of \$21,750. The issue of the Shares and New Options to the Participating Directors is subject to Shareholder approval at the Company's annual general meeting to be held on 31 May 2023 (**General Meeting**).

### **2.2 Placement Options Offer**

By this Prospectus, the Company makes the Placement Options Offer, which invites Investors to apply for one (1) free New Option for every two (2) Shares subscribed for under the Placement.

The maximum number of New Options to be issued under the Placement Options Offer is 196,539,650, being half the number of Shares issued under the Placement. The Company intends to issue the New Options offered under the Placement Options Offer utilising its available placement capacity under ASX Listing Rule 7.1.

The Placement Options Offer is extended to the Investors only. Accordingly, Application Forms will only be provided by the Company to these persons. No funds will be raised from the Placement Options Offer as the New Options are being issued for nil consideration.

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

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

### **2.3 Director Offer**

This Prospectus also includes an offer of 2,750,000 New Options to two Directors who participated in the Placement, namely Professor John Warburton (2,000,000 New Options) and Tim Wise (750,000 New Options) (or their nominees).

The issue of the New Options under the Director Offer is subject to Shareholder approval to issue the New Options at the General Meeting.

Only the Participating Directors (or their nominees) may accept the Director Offer, by using the relevant Application Form in relation to the Director Offer. No funds will be raised from the Director Offer as the New Options are being issued for nil consideration.

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

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

## **2.4 Broker Options Offer**

This Prospectus also includes an offer of 65,513,217 New Options to the Lead Managers (or their nominees). The Company intends to issue the New Options offered under the Broker Options Offer utilising its available placement capacity under ASX Listing Rule 7.1.

Only the Lead Managers (or their nominees) may accept the Broker Options Offer, by using the relevant Application Form in relation to the Broker Options Offer. No funds will be raised from the Broker Options Offer as the New Options are being issued in consideration for services provided by the Lead Manager.

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

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

## **2.5 Joint Lead Managers**

Bell Potter Securities Limited (ACN 006 390 772, AFSL 243480) (**Bell Potter**) and PAC Partners Securities Pty Ltd (ABN 68 623 653 912) (**PAC Partners**) (together, the **Joint Lead Managers**) acted as Joint Lead Managers to the Placement pursuant to an agreement dated 23 February 2023 (**Lead Manager Mandate**).

Under the Lead Manager Mandate, the Company agreed to pay the Joint Lead Managers a:

- (a) 2% management fee for the funds raised under the Placement; and
- (b) 4% selling fee for the funds raised under the Placement.

The fee was split 50/50 between the Joint Lead Managers.

The Company also agreed to issue Joint Lead Managers options on a one-for-six basis, on the same terms as the Placement Options, being 65,513,217 New Options.

The Lead Manager Mandate otherwise contains terms and conditions considered standard for an agreement of its kind.

## **2.6 Minimum subscription**

There is no minimum subscription for the Offers.



## **2.7 Oversubscriptions**

No oversubscriptions will be accepted by the Company.

## **2.8 Applications**

Applications for New Options can only be made by the Investors and the Lead Managers (or their nominee(s)) at the direction of the Company and must be made using the appropriate Application Form accompanying this Prospectus. Completed Application Forms must be mailed or delivered to the address set out on the Application Form by no later than the Closing Date. The New Options are being issued for nil cash consideration and therefore the Applicants are not required to pay any funds with their application.

Completed Application Forms must be mailed or delivered to the address set out on the Application Form by no later than the Closing Date.

The Company reserves the right to close the Offers early.

## **2.9 Implications of Completing an Application Form**

By completing an Application Form, Applicants will be taken to have declared that all details and statements made by them are complete and accurate and that they have personally received the Application Form together with a complete and unaltered copy of this Prospectus.

Completed Application Forms must be returned to the address set out on the Application Form, with sufficient time to be received by or on behalf of the Company by no later than 5.00pm (AWST) on the Closing Date, which is currently scheduled to occur on 3 May 2023.

If you require assistance in completing an Application Form, please contact the Share Registry on +61 8 9324 2099 or Mr Dougal Ferguson, Company Secretary, on +61 8 6319 1900.

## **2.10 Not underwritten**

The Offers are not underwritten.

## **2.11 ASX Listing**

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

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

## **2.12 Issue of New Options**

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

accordance with the ASX Listing Rules and timetable set out in Section 1 of this Prospectus.

## **2.13 Defects in Applications**

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

## **2.14 Overseas shareholders**

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

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions, including those outlined below. In particular, this Prospectus may not be distributed in the United States or elsewhere outside Australia. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that you have complied with these restrictions.

### ***Nominees and custodians***

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

### **2.14.1 New Zealand**

The Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 (NS) and Part 9 of the Financial Markets Conduct Regulations 2014 (NS). Refer to the Important Notices Section.

### **2.14.2 United States**

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Options have not been, and will not be, registered under the US Securities Act 1933 (US) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Options may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act 1933 (US) and applicable US state securities laws.

This Prospectus may be distributed only by the Company and Joint Lead Managers, and the New Options may only be offered and sold, in the United States to institutional accredited investors within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9) or (12) under the US Securities Act 1933 (US).

### 2.14.3 Singapore

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

This document may be given to "institutional investors" and "accredited investors" (as such terms are defined in the SFA) as well as less than 50 other persons known to the Company in Singapore. If you are not an investor falling within one of these categories, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

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

In connection with Section 309B of the SFA, the Company has determined that the Options and underlying shares are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).

### 2.14.4 Hong Kong

**WARNING:** This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). Accordingly, this document may not be distributed, and the New Options may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Options has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Options that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Options may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

#### **2.14.5 European Union**

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Options be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Options in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

#### **2.15 Enquiries**

Any questions concerning the Offers should be directed to Mr Dougal Ferguson, Company Secretary, on +61 8 6319 1900.

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### **3. PURPOSE AND EFFECT OF THE OFFERS**

#### **3.1 Purpose of the Offers**

The purpose of the Placement Options Offer is to offer Investors who participated in the Placement one (1) free New Option for every two (2) Shares subscribed for under the Placement.

The purpose of the Director Offer is to offer Participating Directors who participated in the Placement one (1) free New Option for every two (2) Shares subscribed for under the Placement.

The purpose of the Broker Options Offer is to satisfy the Company's agreement to issue 65,513,217 New Options to the Lead Managers (or its nominee).

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

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

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

No funds will be raised from the Placement Options Offer and the Broker Options Offer as the New Options are being issued for nil cash consideration. However, if all New Options are exercised into Shares, the Company will receive approximately \$4,913,491.

#### **3.2 Effects of the Offers**

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

- (a) an increase in the number of Options currently on issue from 75,000,000 as at the date of this Prospectus to 337,052,867; and
- (b) to remove any trading restrictions attaching to the New Options and to enable the on-sale of any Shares issued on exercise of the New Options issued under this Prospectus.

#### **3.3 Effect of the Offers on capital structure**

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

Shares <sup>1</sup>	Number
Shares currently on issue <sup>2</sup>	5,025,079,300

Shares <sup>1</sup>	Number
Shares offered pursuant to the Offers	Nil
<b>Total Shares on completion of the Offers<sup>2</sup></b>	<b>5,025,079,300</b>

**Notes:**

1. The rights attaching to the Shares are summarised in Section 4.1 of this Prospectus. Included in the Shares currently on issue are 1,005,000,000 Shares subject to ASX escrow restrictions until 31 October 2023.
2. An additional 5,500,000 Shares will be issued to the Participating Directors subject to Shareholder approval at the General Meeting, increasing the number of Shares on issue to 5,030,579,300.

Options	Number
Options currently on issue <sup>1</sup>	75,000,000
New Options offered pursuant to the Placement Options Offer	193,789,650
New Options offered pursuant to the Director Offer <sup>2</sup>	2,750,000
New Options offered pursuant to the Broker Options Offer	65,513,217
<b>Total Options on completion of the Offers<sup>3</sup></b>	<b>337,052,867</b>

**Notes:**

1. Unquoted Options exercisable at \$0.008 and expiring on 11 February 2025.
2. Subject to Shareholder approval at the General Meeting.
3. The Company intends to seek Shareholder approval to at the General Meeting to issue a total of 25,000,000 incentive Options under the Company's Employee Incentive Plan to all of the Company's directors. 5,000,000 incentive Options will be issued to each of Gema Gerelsaikhon, Tim Wise and Brett Lawrence (or their nominees) and 10,000,000 incentive Options to Professor John Warburton (or his nominee). If Shareholders approve the issue of these Options, then the number of Options on issue will increase to 362,052,287.

Performance Rights	Number
Performance Rights currently on issue <sup>1</sup>	45,000,000
Performance Rights offered pursuant to the Offers	Nil
<b>Total Performance Rights on completion of the Offers</b>	<b>45,000,000</b>

**Notes:**

1. The Performance Rights are fully vested and are convertible to Shares at any time by the holders.

The capital structure on a fully diluted basis as at the date of this Prospectus is 5,145,079,300 Shares and on completion of the Offers (assuming all New Options offered under this Prospectus are issued and exercised into Shares) would be 5,407,132,167 Shares.

### 3.4 Financial effect of the Offers

The expenses of the Offers are estimated to be approximately \$32,816. The Offers are not expected to have any material financial effect on the Company.

The expenses of the Offers will be met utilising the Company's existing cash reserves.

Accordingly, the financial effect of the Offers will be to reduce the Company's existing cash reserves by \$32,816.

### 3.5 Substantial Shareholders

As at the date of this Prospectus, the following Shareholders (together with their associates) have a relevant interest in 5% or more of the Shares on issue.

Investor	Holding	%
Tsetsen Zantav <sup>1</sup>	1,613,000,000	32.10%
TMK Energy Limited <sup>1</sup>	1,005,000,000	19.99
Ganzorig Vanchig	308,712,000	6.14%
Brendan Stats	288,000,000	5.73%

**Notes:**

1. It was a condition to the Placement that the Company's largest shareholder, Tsetsen Zantav, enter into a voluntary escrow agreement for 1,005,000,000 of his 1,613,000,000 Shares for a period of 6 months from the date of the issue of the Placement Shares (**Escrow Deed**). Under the Corporations Act, the Company is now a substantial holder in itself for the duration of the Escrow Deed as TMK controls the exercise of the power to dispose of the substantial holder shares (noting that the holder still retains all other rights associated with the shares) and will therefore be considered to have a relevant interest in those shares.

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## **4. RIGHTS ATTACHING TO SECURITIES**

### **4.1 Rights and liabilities attaching to Shares**

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

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

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

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

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

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

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

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

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

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

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



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

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

(d) **Winding-up**

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

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

(e) **Shareholder liability**

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

(f) **Transfer of shares**

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

(g) **Future increase in capital**

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

(h) **Variation of rights**

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

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

(i) **Alteration of constitution**

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

## **4.2 Terms of the New Options**

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.025 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00pm (AWST) on 30 April 2026 (**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 exercise notice (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

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

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

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

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
- (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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## 5. RISK FACTORS

### 5.1 Introduction

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

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

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

### 5.2 Company specific

Risk Category	Risk
<b>Additional requirements for capital</b>	<p>Exploration, drilling and other project expenditure estimates are based on certain assumptions with respect to the method and timing of these activities. By their nature, these estimates and assumptions are subject to significant uncertainties and accordingly, the actual costs may materially differ from these estimates. The Directors currently consider that the Company will be sufficiently funded to meet its short to medium term objectives through its current farm-out agreement with Talon Energy Limited and most recent capital raising activities. However additional funding will be required to effectively implement its business and operational plans in the future or to take advantage of opportunities for acquisition, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur.</p> <p>There can be no assurance that additional finance will be available when needed. Any additional equity financing may be dilutive to the Company's existing Shareholders and any additional debt financing, if available, may be on terms that are not favourable to the Company or involve restrictive covenants, which limit the Company's operations and business strategy. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and/or indefinite postponement of the Company's activities and potential development programs.</p>
<b>Country Risk</b>	<p>The Company has a significant exposure to Mongolia including exposure to various levels of political, economic, and other risks and uncertainties associated with operating in a foreign jurisdiction. These risks and uncertainties include, but are not limited to, currency</p>

Risk Category	Risk
	<p>exchange rates, high rates of inflation, labour unrest, social unrest, civil disobedience, renegotiation or nullification of the Gervantes XXXV Production Sharing Contract (PSC), licences, permits and contracts, changes in taxation policies, changing political conditions, war and civil conflict, lack of law enforcement, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.</p> <p>Changes to oil and gas exploration policies or shifts in political attitude in Mongolia may adversely affect the Company's operations and may have a material adverse effect on the Company's overall financial performance. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people and water use. Failure to comply strictly with applicable laws, regulations and local practices relating to exploration or production activities, could result in loss, reduction, or expropriation of interests.</p> <p>The legal system in Mongolia may be less developed than more established countries, which may result in risk such as:</p> <ul style="list-style-type: none"> <li>(a) political difficulties in obtaining effective legal redress in the courts whether in respect of a breach of law or regulation, or in an ownership dispute;</li> <li>(b) a higher degree of discretion on the part of governmental agencies;</li> <li>(c) the lack of political or administrative guidance on implementing applicable rules and regulations;</li> <li>(d) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; and</li> <li>(e) relative inexperience of the judiciary and court in such matters. There can be no assurance that joint ventures, licences (or licence applications), permits (or permit applications) or other legal arrangements will not be adversely affected by the actions of the government authorities or others and the effectiveness of the enforcement of such arrangements cannot be assured.</li> </ul>
<b>Permit Grant and Maintenance Risk</b>	<p>The Company's exploration activities are dependent upon the grant, or, the maintenance of appropriate licences, concessions, leases, permits and regulatory consents. The grant or maintenance of licences and obtaining renewals often depends on the Company being successful in obtaining the required regulatory approvals for its proposed activities. There can be no assurances that the Company will be successful in obtaining renewals of existing acreage in the future.</p>

Risk Category	Risk
	<p>The lease, licences or permits might also contain conditions relating to operations including, but not limited to, environmental management issues, occupational health and safety, operating procedures and plant and equipment design specifications. Such conditions or regulations might be subject to change from time to time and might impact the cost base and hence profitability of a particular project.</p> <p>The Gurvantes XXXV PSC requires the Company, via its wholly owned subsidiary Telmen Resource LLC, to meet certain annual expenditure commitments to retain the Gurvantes XXXV PSC during the exploration phase. The Company, through Telmen Resource LLC, may be prevented from achieving these annual expenditure commitments for unforeseen reasons outside the control of the Company or due to lack of funding. If this were to occur, the Gurvantes XXXV PSC may be cancelled or terminated prior to the Gurvantes XXXV PSC expiry date, which may have a material adverse effect on the Company's overall financial performance.</p>
<b>CBM Dewatering Process</b>	<p>Coal seam gas resources, if discovered, usually require dewatering before they enter the gas production phase. There can be no guarantee that the dewatering of the formations that allow gas to flow will occur in a timely fashion to allow commercial gas production to commence. Additionally, the process of dewatering may produce large volumes of water and there are costs associated with water disposal which may have an adverse effect on the commerciality of the coal seam gas resource. The Gurvantes XXXV PSC is one of the earlier coals seam gas exploration licenses to be awarded in Mongolia under its Petroleum Law of 2014 and the regulations with respect to water disposal are not yet fully developed. Should Mongolia not adopt current industry best practice regulations with respect to water disposal, there may be an adverse impact on the value of the Company's assets and future financial performance if the Company proceeds with drilling and if successful, a subsequent dewatering process.</p>
<b>Infrastructure Access</b>	<p>The Company's future performance is likely to be impacted by its ability to access infrastructure, including various equipment and facilities required for the production, processing and commercialisation of the Company's assets and product transportation routes, including access to pipelines and associated infrastructure, including power distribution infrastructure. The ability of the Company to access infrastructure economically or at all is largely outside of the control of the Company and therefore may have an adverse impact on the Company's future performance. Further, there can be no guarantees that the Company will have continued access to the infrastructure needed for the Company's activities or that such infrastructure will not be subject to</p>

Risk Category	Risk
	unexpected issues which could adversely effect the operations and financial performance of the Company.
<b>Climate Risk</b>	<p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:</p> <ul style="list-style-type: none"> <li>(a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and</li> <li>(b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.</li> </ul>
<b>Coronavirus (COVID-19)</b>	<p>While to date COVID-19 has not had any material impact on the Company's operations, supply chain disruptions resulting from the COVID-19 pandemic, labour shortages and measures implemented by governmental authorities around the world to limit the transmission of the virus (such as travel bans and quarantining) may, in addition to the general level of economic uncertainty caused by the COVID-19 pandemic, also adversely impact the Company's operations, financial position and prospects.</p> <p>The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.</p>
<b>Substitution of Oil and Gas Products as Energy Sources</b>	<p>There are several alternative energy sources to oil and gas products. These include renewable energy (i.e., wind, solar or hydroelectric), nuclear energy, geothermal and biomass. If the costs and commercial prices of such alternative energy sources fall or there is a significant shift in consumer sentiment towards such sources, this may have a significant effect upon the Company's overall</p>

Risk Category	Risk
	financial performance and ability to operate in the oil and gas industry.

### 5.3 Industry specific

Risk Category	Risk
<b>Commodity Price Volatility</b>	<p>It is anticipated that any future revenues of the Company, other than sales of assets, will be derived from the sale of oil and/or natural gas. The demand for, and price of, oil and natural gas is dependent on a variety of factors beyond the control of the Company, including supply levels of the product, the level of consumer product demand, weather conditions, the price and availability of alternative fuels, actions taken by governments and international cartels, and global economic and political developments.</p> <p>The market price of hydrocarbon products is volatile and outside the control of the Company. Oil and gas prices have fluctuated widely in recent years. If the price of hydrocarbons should drop significantly and remain depressed, the economic prospects of the projects which the Company has an interest in could be significantly reduced or rendered uneconomic. There is no assurance that, even if significant quantities of hydrocarbon products are discovered, a profitable market may exist for their sale.</p> <p>The marketability of hydrocarbons is also affected by numerous other factors beyond the control of the Company, including government regulations relating to royalties, allowable production and importing and exporting of oil and gas and petroleum products, the effect of which cannot be accurately predicted. Restrictions on the Company's ability to market production from projects that the Company has an interest in may have a material adverse effect on the Company's overall financial performance.</p>
<b>Exploration and Development</b>	<p>Oil and gas exploration involves significant risks including the risk that drilling will result in dry holes or not result in commercially feasible oil or natural gas or coal seam gas production. Selecting a drilling location is influenced by the interpretation of geological, geophysical and seismic data, which is a subjective science and has varying degrees of success. Other factors, including land access rights and regulatory rules, may impact the Company's decisions with respect to well locations. New wells drilled may not be productive or may not recover all or any portion of the Company's investment in such wells. Decisions to purchase, explore, develop or otherwise exploit prospects or properties will depend, in part, on the evaluation of production data, engineering studies, and geological and geophysical analyses, the results of which are typically inconclusive or subject to varying interpretations. The costs of drilling, completing, equipping</p>



Risk Category	Risk
	<p>and operating wells are typically uncertain before drilling commences.</p> <p>The area covered by the Gervantes XXXV PSC is at an early stage of exploration. There is no certainty that exploration within the Gervantes XXXV PSC area will result in the discovery of an economic coal seam gas deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited, particularly given the lack of infrastructure in the region. The value of the Company's Shares will likely be affected by the results obtained by other companies conducting exploration activities in close proximity to its projects. If the results obtained by other companies are positive then this may increase the value of the Company's Shares. Conversely, if the results obtained by other companies are negative then this may decrease the value of the Company's Shares.</p>
<b>Drilling</b>	<p>Oil and gas drilling activities are subject to numerous risks, many of which are beyond the Company's control. The Company's drilling operations may be curtailed, delayed or cancelled due to a number of factors including weather conditions, mechanical difficulties, shortage or delays in the availability or delivery of rigs and/or other equipment and compliance with governmental requirements. Hazards incident to the exploration and development of oil and gas properties such as unusual or unexpected formations, pressures or other factors are inherent in drilling and operating wells and may be encountered by the Company. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. While drilling may yield some hydrocarbons there can be no guarantee that the discovery will be sufficiently productive to justify commercial development or cover operating costs.</p>
<b>Commercialisation of Discoveries</b>	<p>It may not always be possible for the Company to participate in the exploitation of successful discoveries made in any areas in which the Company has an interest. Such exploitation will involve the need to obtain the necessary licences or clearances from the relevant authorities, which may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further the decision to proceed to further exploitation may require the participation of other companies whose interests and objectives may not be the same as the Company. Such further work may require the Company to meet or commit to financing obligations for which it may not have planned.</p>
<b>Environmental</b>	<p>The Company's operations will be subject to environmental laws and regulations, including but not limited to, those governing the management of waste, the protection of water and air quality, the discharge of</p>

Risk Category	Risk
	<p>materials into the environment, and the preservation of natural resources which may impact and influence the Company's operations. The government and other authorities that administer and enforce environmental laws and regulations determine these requirements. The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable petroleum reserves.</p> <p>If the Company fails to comply with environmental laws and regulations regarding the discharge of oil, gas, or other materials into the air, soil or water it may be subject to liabilities to the government and third parties, including civil and criminal penalties. The Company may also become liable for environmental damage caused by any previous owners of licence areas the Company will have an interest in. Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment, including production activities.</p> <p>There is no assurance that such approvals will be obtained. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area. The Company is unable to predict the effect of any new environmental laws, regulations or stricter enforcement policies, once implemented, including whether any such laws or regulations would increase the Company's cost of doing business or affect its operations in any area.</p>
<b>Hydrocarbon Resource Estimate</b>	<p>Hydrocarbon resource estimates are expressions of judgment based on knowledge, experience, interpretation and industry practice. Estimates that were valid when made may change significantly when new information becomes available. In addition, resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove inaccurate. Should the Company encounter oil and/or gas deposits or formations different from those predicted by past drilling, sampling and similar examinations, then resource estimates may have to be adjusted and production plans may have to be altered in a way which could adversely affect the Company's operations. Where possible, the Company will seek to have any such estimates verified or produced by an independent party with sufficient expertise in their chosen field.</p>
<b>Regulation</b>	<p>Oil and natural gas exploration, production and related operations are subject to extensive rules and regulations promulgated by federal, state and local agencies. Failure to comply with such rules and regulations can result in substantial penalties. The regulatory burden on the oil and gas industry increases the cost of doing business and</p>

Risk Category	Risk
	affects profitability. Because such rules and regulations are frequently amended or reinterpreted, the Company is unable to predict the future cost or impact of complying with such laws. Permits are required in some of the areas in which the Company operates for drilling operations, drilling bonds and the filing of reports concerning operations and other requirements are imposed relating to the exploration and production of oil and gas. The Company will be required to comply with various federal and state regulations regarding plugging and abandonment of oil and natural gas wells, which will impose a substantial rehabilitation obligation on the Company, which may have a material adverse effect on the Company's financial performance.

#### 5.4 General risks

Risk Category	Risk
<b>Market Conditions</b>	<p>Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> <li>(a) general economic outlook;</li> <li>(b) introduction of tax reform or other new legislation;</li> <li>(c) interest rates and inflation rates;</li> <li>(d) changes in investor sentiment toward particular market sectors;</li> <li>(e) the demand for, and supply of, capital; and</li> <li>(f) terrorism or other hostilities.</li> </ul> <p>The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p>
<b>Competition Risk</b>	<p>The Company operates in a competitive and dynamic market. The Company will compete with other companies, including major oil and gas companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities and respond to the introduction of new technologies or technological advancements relating to drilling or other relevant operations (common in the oil and gas industry). Many of the Company's competitors not only explore for and produce oil and gas, but also carry out refining operations and market petroleum and other products on a worldwide basis. There can be no assurance that the Company will compete effectively with these companies and other industry participants and thereby be</p>

Risk Category	Risk
	<p>successful in acquiring additional oil and gas properties on reasonable commercial terms.</p> <p>The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.</p>
<b>Litigation risks</b>	<p>The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.</p>
<b>Dividends</b>	<p>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.</p>
<b>Exchange Rate Fluctuations Risk</b>	<p>The Company's oil and gas projects are currently, located in Mongolia, Australia, and the USA. As a result, the majority of cash flows, expenses, capital expenditure and commitments will be denominated in United States dollars and the local Mongolian currency (Tugriks). To the extent the Company may become involved in petroleum production, the revenue derived through the sale of commodities will expose the potential income of the Company to commodity price and exchange rate risks through the translation or repatriation of foreign currencies to Australian Dollars.</p>
<b>Insurance</b>	<p>Exploration, development and production operations on oil and gas properties involve a number of risks and hazards which are beyond the control of the Company including unexpected or unusual geological conditions, environmental hazards, technical and equipment failures, extended interruptions due to inclement or hazardous weather or other physical conditions, unavailability of drilling equipment, unexpected shortages of key personnel, labour, consumables or parts and equipment, fire, explosions and other incidents. It is not always possible to insure against all such risks or the Company may decide not to insure against certain risks because of high premiums or other reasons. Although the Company will have insurance in place at levels considered appropriate</p>

Risk Category	Risk
	<p>for its operations and in accordance with industry practice, in certain circumstances the Company's insurance may not cover, or be adequate to cover, the consequence of such events which could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Company's Shares.</p>
<b>Taxation</b>	<p>The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All existing and prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring New Options from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for New Options offered under this Prospectus.</p>
<b>Reliance on key personnel</b>	<p>The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services may be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business. Further, the Company relies on contractors. Any delay in contractors completing work or encountering operational difficulties may lead to a loss of revenue and increased costs. The loss of one or more contracts with key contractors may lead to an increase in the Company's operational costs. The Company is unable to predict the risk of financial, managerial, operational or other failures by any of its contractors, any of which could have a material adverse effect on the operations and financial performance of the Company.</p> <p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.</p>
<b>Economic conditions and other global or national issues</b>	<p>General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes</p>

Risk Category	Risk
	<p>and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, development and production activities, as well as on its ability to fund those activities.</p> <p>General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.</p> <p>Specifically, it should be noted that the current evolving conflict between Ukraine and Russia is impacting global macroeconomics and markets generally. The nature and extent of the effect of this conflict on the performance of the Company and the value of its Shares remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the conflict between Ukraine and Russia and overall impacts on global macroeconomics. Given the situation is continually evolving, the outcomes and consequences are inevitably uncertain.</p>

## 5.5 Speculative investment

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

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

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

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

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## **6. ADDITIONAL INFORMATION**

### **6.1 Litigation**

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

### **6.2 Continuous Disclosure Obligations**

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

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

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

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

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

Date	Description of Announcement
28 April 2023	Section 708A(5)(e) Notice
28 April 2023	Application for quotation of securities – TMK
28 April 2023	Quarterly Activities/Appendix 5B Cash Flow Report
27 April 2023	60 Metres of Coal Intersected at Lucky Fox-1



Date	Description of Announcement
27 April 2023	TPD: Lucky Fox-1 Reaches Total Depth
20 April 2023	Proposed issue of securities – TMK
20 April 2023	\$5.7M Placement to Accelerate Gervantes XXXV Exploration
18 April 2023	Trading Halt
12 April 2023	Lucky Fox – 1 Commences Drilling
3 April 2023	Rig Mobilised for Pilot Well Program Commencement
31 March 2023	Final Director's Interest Notice
31 March 2023	Director Appointment / Resignation
31 March 2023	Annual Report to Shareholders

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

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

### 6.3 Market price of shares

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

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

	(\$)	Date
Highest	\$0.0190	17 April 2023
Lowest	\$0.012	1 March 2023
Last	\$0.014	28 April 2023

As the issue of the New Options under this Prospectus represents the first time the Company will have quoted Options on issue there are no previous closing market sale prices preceding the date of lodgement of this Prospectus that can be disclosed.

### 6.4 Interests of Directors

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



- (a) the formation or promotion of the Company;
  - (b) any property acquired or proposed to be acquired by the Company in connection with:
    - (i) its formation or promotion; or
    - (ii) the Offers; or
  - (c) the Offers,
- and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:
- (d) as an inducement to become, or to qualify as, a Director; or
  - (e) for services provided in connection with:
    - (i) the formation or promotion of the Company; or
    - (ii) the Offers.

### **Security Holdings**

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

Director	Shares <sup>2</sup>	Options <sup>1,2</sup>	Performance Rights
Gema Gerelsaikhan <sup>1</sup>	31,000,000	-	-
Tim Wise <sup>1</sup>	22,500,000	-	-
Brett Lawrence <sup>1</sup>	1,875,000	-	10,000,000
John Warburton <sup>1</sup>	-	-	-

#### **Notes:**

1. At the General Meeting scheduled to be held on 31 May 2023, the Company is seeking shareholder approval to issue the following unlisted Options exercisable at \$0.025 each on or before 30 April 2026:
  - (a) 5,000,000 to Ms Gema Gerelsaikhan;
  - (b) 5,000,000 to Mr Time Wise;
  - (c) 5,000,000 to Mr Brett Lawrence; and
  - (d) 10,000,000 to Professor John Warburton.
2. At the General Meeting scheduled to be held on 31 May 2023, the Company is seeking shareholder approval for the following Directors to participate in the Placement on the same terms as other Placement Participants:
  - (a) Mr. Tim Wise has applied for 1,500,000 Shares with 750,000 free attaching Options exercisable at \$0.025 each on or before 30 April 2026; and
  - (b) Professor John Warburton has applied for 4,000,000 Shares with 2,000,000 free attaching Options exercisable at \$0.025 each on or before 30 April 2026,

If approved, these Securities will be issued under the Director Offer.

## Remuneration

The total maximum remuneration of non-executive Directors is determined by ordinary resolution of Shareholders in a general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.

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

The following table shows the total annual remuneration paid to the Directors as disclosed in the Company's 2021 and 2022 Annual Reports and the proposed remuneration for the current financial year.

Director	FY ended 31 December 2023 (Proposed)	Financial Period ended 31 December 2022 <sup>9</sup>	FY ended 30 June 2022
Gema Gerelsaikhon	\$92,000 <sup>5</sup>	\$91,774 <sup>1</sup>	\$102,893 <sup>6</sup>
Tim Wise	\$92,000 <sup>5</sup>	\$18,000 <sup>2</sup>	\$50,750 <sup>7</sup>
Brett Lawrence	\$92,000 <sup>5</sup>	\$67,182 <sup>3</sup>	\$220,496 <sup>8</sup>
John Warburton	\$134,000 <sup>4,5</sup>	Nil <sup>4</sup>	Nil <sup>4</sup>

### Notes:

1. Gema Gerelsaikhon's remuneration in the six months ended 31 December 2022 comprised of Director fees of \$18,000 and share-based payments of \$73,774.
2. Tim Wise's remuneration in the six month ended 31 December 2022 comprised of Director fees of \$18,000.
3. Brett Lawrence's remuneration in the six months ended 31 December 2022 comprised of Director fees of \$18,000 and share-based payments of \$49,182.
4. John Warburton was appointed to the Board on 7 March 2023 and his remuneration is anticipated to comprise of Directors' fees of \$38,000 plus the value of the Incentive Options of \$96,000 for the year.
5. The Director's remuneration for the financial year ended 31 December 2023 (other than John Warburton) is anticipated to comprise of Directors' fees of \$44,000 plus the value of the Incentive Options of \$48,000 for the year.
6. Comprising directors' salary of \$12,000 and share based payments of \$90,893.
7. Comprising directors' salary of \$50,750.
8. Comprising directors' salary of \$51,000, superannuation payments of \$60,596 and share based payments of \$108,900.
9. The Company changed its financial year end from 30 June to 31 December in 2022.

## 6.5 Interests of Experts and Advisers

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

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

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

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

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

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

Steinepreis Paganin has acted as the Australian solicitors to the Company in respect of the Prospectus. The Company estimates it will pay Steinepreis Paganin \$5,000 (excluding GST and disbursements) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. Steinepreis Paganin not received any other fees in relation to the Offer in the 2 years preceding lodgement of this Prospectus with ASIC. Bell Potter Securities Limited and PAC Partners Securities Pty Ltd have acted as Lead Managers to the Placement. Refer to Section 2.5 of this Prospectus for the fees to be paid to the Lead Managers. The Lead Managers have not received any other fees in relation to the Offer in the 2 years preceding lodgement of this Prospectus with the ASIC.

## 6.6 Consents

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

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
- (b) in light of the above, to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

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

Bell Potter Securities Limited and PAC Partners Securities Pty Ltd have given their written consent to being named as the Lead Managers to the Placement in this Prospectus. Bell Potter Securities Limited and PAC Partners Securities Pty Ltd have not withdrawn their consent prior to the lodgement of this Prospectus with the ASIC.

## **6.7 Estimated Expenses of the Offers**

The total expenses of the Offers are estimated to be approximately \$32,816 (excluding GST) and are expected to be applied towards the items set out in the table below:

Item	Amount
ASIC fees	\$3,206
ASX fees	\$14,610
Legal fees	\$5,000
Share registry fees	\$5,000
Printing and distribution	\$5,000
<b>Total</b>	<b>\$32,816</b>

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**7. DIRECTORS' AUTHORISATION**

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

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



Brett Lawrence  
Non-Executive Director  
For and on behalf of  
TMK ENERGY LIMITED

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## GLOSSARY

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**\$** means an Australian dollar.

**Applicant** means an investor that applies for New Options pursuant to the Placement Options Offer or Broker Options Offer (as the case may be).

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

**ASIC** means Australian Securities & Investments Commission.

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

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

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

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

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

**Broker Options Offer** means the offer of New Options to the Lead Manager as set out in Section 2.4.

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

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

**Company** means TMK Energy Limited (ACN 127 735 442).

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

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

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

**Director Offer** means the offer of New Options to the Participating Directors as set out in Section 2.3.

**General Meeting** means the Company's annual general meeting scheduled to be held on 31 May 2023

**Investors** has the meaning given in Section 2.1.

**Lead Manager** means Bell Potter Securities Limited (ACN 006 390 772, AFSL 243480) (**Bell Potter**) and PAC Partners Securities Pty Ltd (ABN 68 623 653 912) (**PAC Partners**).

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

**Offers** means the Placement Options Offer and Broker Options Offer the subject of this Prospectus and **Offer** means either of them (as the context requires).

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

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

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

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

**Participating Directors** means Professor John Warburton and Mr. Tim Wise.

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

**Placement** has the meaning given in Section 2.1.

**Placement Options Offer** means the offer of New Options to Investors as set out in Section 2.1.

**Prospectus** means this prospectus.

**Section** means a section of this Prospectus.

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

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

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