

# Entitlement Offer

## Information Booklet

**2 for 3 non-renounceable pro rata entitlement offer of New Shares at \$0.018 per New Share to raise approximately \$1.6 million (before costs)**

**Caprice Resources Ltd**  
(ACN 624 970 725)

The Entitlement Offer closes at 5.00pm (AWST) on 11 December 2023\*

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### **IMPORTANT NOTICES:**

If you are an Eligible Shareholder, this is an important document that requires your immediate attention. This document and the accompanying personalised Entitlement and Acceptance Form should be read in their entirety.

This document is not a prospectus under the Corporations Act and has not been lodged with ASIC. This document does not purport to contain all the information that a prospective investor may require in connection with any potential investment in the Company. Each recipient must make its own independent assessment of the Company before acquiring any New Shares in the Company.

You should consult your stockbroker, solicitor, accountant or other professional adviser if you have any questions.

\*The Company reserves the right, subject to the Corporations Act and the Listing Rules, to extend the Closing Date.

## IMPORTANT NOTICES

This Information Booklet is dated 14 November 2023. Capitalised terms in this section have the meaning given to them in this Information Booklet. This Information Booklet has been issued by Caprice Resources Ltd (ACN 624 970 725) (**Company**).

The Entitlement Offer is made in accordance with section 708AA of the Corporations Act (as notionally modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*). This Information Booklet does not contain all of the information which an investor may require to make an informed investment decision, nor does it contain all the information which would be required to be disclosed in a prospectus. The information in this Information Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

This Information Booklet should be read in its entirety before you decide to participate in the Entitlement Offer. This Information Booklet is not a prospectus or other disclosure document under the Corporations Act and has not been lodged with ASIC.

By paying for your New Shares through BPAY® or, if you are based in New Zealand and unable to pay using BPAY®, by direct transfer, in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Information Booklet and you have acted in accordance with and agree to the terms of the Entitlement Offer detailed in this Information Booklet.

### No overseas offering

This Information Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

This Information Booklet is not to be distributed in, and no offer of New Shares is to be made, in countries other than Australia and, subject to the restrictions in section 6.2, New Zealand.

No action has been taken to register or qualify the Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia.

The distribution of this Information Booklet (including an electronic copy) outside Australia, is restricted by law. If you come into possession of the information in this Information Booklet, you should observe such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your Application for New Shares is subject to all requisite authorities and clearances being obtained for the Company to lawfully receive your Application Monies.

### Notice to investors in New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021. The offer of New Shares is non-renounceable.

This Information Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This Information Booklet is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

## Definitions and interpretation

Defined terms used in this Information Booklet are contained in section 8. Section 8 also includes the rules of interpretation of this Information Booklet.

### Taxation

The taxation consequences of any investment in New Shares will depend upon your particular circumstances. Potential investors must make their own enquiries concerning the taxation consequences of an investment in the Company. Applicants should consult their tax adviser for advice applicable to their individual needs and circumstances.

### Privacy

The Company collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's shareholding in the Company.

By submitting an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or through the Share Registry). The Company collects, holds and will use that information to assess your Application. The Company collects your personal information to process and administer your shareholding in the Company and to provide related services to you. The Company may disclose your personal information for purposes related to your shareholding in the Company, including to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. You can obtain access to personal information that the Company holds about you. To make a request for access to your personal information held by (or on behalf of) the Company, please contact the Company through the Share Registry.

### Governing law

This Information Booklet, the Entitlement Offer and the contracts formed on acceptance of the Applications are governed by the laws of Western Australia. Each Applicant submits to the exclusive jurisdiction of the courts of Western Australia.

### No representations

No person is authorised to give any information or to make any representation in connection with the Entitlement Offer which is not contained in this Information Booklet. Any information or representation in connection with the Entitlement Offer not contained in the Information Booklet may not be relied upon as having been authorised by the Company or any of its officers. Except as required by law, and only to the extent so required, none of the Company, its related bodies corporate or any of their respective directors, officers, employees, agents, advisers or representatives, or any other person, warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Information Booklet.

### Past performance

Investors should note that the Company's past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) the Company's future performance including the Company's future financial position or share price performance.

### Future performance and forward looking statements

This Information Booklet contains certain statements that constitute "forward-looking statements". These statements can be identified by the use of terminology such as "will", "anticipate", "believe", "expect", "project", "continue", "assume", "forecast", "estimate", "likely", "intend", "outlook", "should", "could", "may", "target", "plan" or comparable terminology. Indications of, and guidance on, future earnings, financial position, dividends and distributions and performance

are also forward-looking statements, as are statements regarding the Company's intent, belief or current expectations with respect to the timetable, conduct and outcome of the Entitlement Offer and the use of proceeds thereafter, statements about the plans, objectives and strategies of the management of the group), statements about the industry and markets in which the Company operates, statements about the future performance of the Company's business and its financial condition, and forecasted economic indicators.

Such forward-looking statements are provided as a general guide only, should not be relied on as an indication or guarantee of future performance, and involve known and unknown risks (including, without limitation, the risks set out in section 7, uncertainties and other factors, many of which are beyond the control of the Company, its officers, employees, agents and advisors, that may cause the Company's actual results and performance to be materially different from any future results or performance expressed or implied in such statements. Forward-looking statements may also assume the success of the Company's business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond the Company's control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward-looking statements may have been prepared or otherwise.

There can be no assurance that actual outcomes will not differ materially from the forward-looking statements in this Information Booklet. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecasted and their differences may be material. Refer to section 7 for a non-exhaustive summary of certain key risk factors.

Neither the Company, the Underwriter or any other person gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement will occur.

To the maximum extent permitted by law, the Company, the Underwriter and its advisors, affiliates, related bodies corporate, directors, officers, partners, employees and agents disclaim any responsibility and undertake no obligation for the accuracy or completeness of any forward-looking statements whether as a result of new information, future events or results or otherwise. The Company disclaims any responsibility to update or revise any forward-looking statement to reflect any change in the Company's financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based, except as required by Australian law.

## **Risks**

An investment in New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of the Company. The Company does not guarantee any particular rate of return or the performance of the Company, nor does it guarantee any particular tax treatment.

Investors should refer to section 7 for a summary of general and specific risk factors that may affect the Company.

## **Trading New Shares**

The Company will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by the Company or the Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt, as to these matters you should first consult with your stockbroker, solicitor, accountant or other professional adviser.

## Corporate information

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### Directors and Management

Name	Position
David Church	Non-Executive Chairman
Michael Caruso	Non-Executive Director
Adam Miethke	Non-Executive Director
Philip Re	Non-Executive Director

### Company Secretary

Oonagh Malone

### Registered and Principal Office

Caprice Resources Ltd  
Level 3, 10 Outram Street  
West Perth WA 6005, Australia

### Share Registry

Automic Registry Services  
126 Phillip Street  
Sydney NSW 2000

Phone: +61 8 6141 3136

Phone: 1300 288 664 (within Australia)

Email: [info@capriceresources.com](mailto:info@capriceresources.com)

+61 2 9698 5414 (outside Australia)

Website: [www.capriceresources.com](http://www.capriceresources.com)

**ASX Code:** CRS

### Legal Adviser

Hamilton Locke  
Level 48, 152-158 St Georges Terrace  
Perth WA 6000

### Lead Manager and Underwriter

CPS Capital Group Pty Ltd  
Level 41, 108 St Georges Terrace  
Perth WA 6000

## Chairman's letter

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14 November 2023

Dear Shareholder

### Entitlement Offer

On behalf of the Directors, I am pleased to invite you as a valued Shareholder of Caprice Resources Ltd (**Company**) to participate in a 2 for 3 non-renounceable pro rata entitlement offer of new fully paid ordinary shares in the Company (**New Shares**) at an issue price of \$0.018 per New Share (**Offer Price**) to raise up to approximately \$1.6 million (before costs) (**Entitlement Offer**).

On the same date of this Information Booklet, the Company announced that it has received firm commitments in relation to an institutional placement to raise approximately \$315,214 (before costs), by the issue of 17.5 million New Shares (**Placement Shares**) to certain professional and sophisticated investors at the invitation of the Company (**Placement**). The Placement Shares will be issued utilising the Company's available placement capacity pursuant to ASX Listing Rule 7.1. The Placement Shares will be issued prior to the Record Date for the Entitlement Offer and accordingly Placement participants will be eligible to participate in the Entitlement Offer.

The Entitlement Offer and the Placement (together, the **Offers**) intend to raise a total of approximately \$1.9 million (before costs).

Under the Entitlement Offer, Eligible Shareholders are entitled to acquire 2 New Shares for every 3 existing fully paid ordinary shares in the Company held as at 4.00pm (AWST) on 22 November 2023. New Shares issued under the Entitlement Offer will rank equally with the existing shares on issue.

The Entitlement Offer provides Eligible Shareholders with the opportunity to further invest in the Company as it continues to advance its plans. Eligible Shareholders who take up their full Entitlement may also apply for New Shares in excess of their Entitlement under the Top-Up Facility (refer to sections 2.2 and 2.3 of this Information Booklet for details).

The Entitlement Offer is non-renounceable. Accordingly, Eligible Shareholders can:

- take up their Entitlement in full or in part;
- take up their Entitlement and apply for additional New Shares under the Top-Up Facility; or
- do nothing, in which case their Entitlement will lapse and they will not receive any value for their Entitlement.

I encourage you to consider the Entitlement Offer carefully.

The Entitlement Offer is fully underwritten by CPS Capital Group Pty Ltd (AFSL 294848) (**CPS Capital** or **Underwriter**).

CPS Capital is the lead manager of the Placement. The Placement is not underwritten.

### Substantial Shareholders and effect on control of the Company

Michael Caruso is a substantial Shareholder of the Company and has confirmed that he does not intend to apply for any of his Entitlement.

To the best of the Company's knowledge, it is not expected that any Shareholder will increase their relevant interest above 20% as a result of participating in the Entitlement Offer.

I encourage you to read section 3 of this Information Booklet which contains further information on the effect on control and consequences the Entitlement Offer may have on the Company.

### Other information

This Information Booklet contains important information, including:

- ASX announcement relating to the Entitlement Offer;
- instructions on how to participate in the Entitlement Offer if you choose to do so, and a timetable of key dates;
- information regarding the personalised Entitlement and Acceptance Form that will accompany this Information Booklet when it is made available to Eligible Shareholders, which will detail your Entitlement, to be completed in accordance with the instructions in this Information Booklet and your personalised Entitlement and Acceptance Form; and
- instructions on how to take up all or part of your Entitlement via BPAY® or if you are based in New Zealand, by direct transfer.

You should carefully read this Information Booklet in its entirety and consult your stockbroker, accountant or other professional financial adviser to evaluate whether or not to participate in the Entitlement Offer. In particular, you should read and consider the summary of key risks associated with an investment in the Company contained in section 7.

**The Entitlement Offer is scheduled to close at 5.00pm (AWST) on 11 December 2023.**

If you decide to take this opportunity to increase your investment in the Company please ensure that, before 5.00pm (AWST) on 11 December 2023, you have paid your Application Monies, via BPAY® pursuant to the instructions in the personalised Entitlement and Acceptance Form that will accompany this Information Booklet when it is despatched to you, or if you are based in New Zealand and unable to pay using BPAY®, your Application Monies are sent by direct transfer and received in cleared funds by the Share Registry by 5.00pm (AWST) on the Closing Date.

If you do not wish to take up any of your Entitlement, you do not have to take any action.

For further information on the Entitlement Offer you may contact the information line on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) between 8.30am and 7.00pm (AEDT), Monday to Friday during the Entitlement Offer period.

On behalf of the board of the Company, I have pleasure in inviting you to consider this investment opportunity and thank you for your ongoing support.

Yours sincerely



David Church  
**Non-Executive Chairman**  
**Caprice Resources Ltd**

## Summary of the Entitlement Offer

Aspect	Details
<b>Ratio</b>	2 New Shares for every 3 Shares held on the Record Date
<b>Offer Price</b>	\$0.018 per New Share
<b>Discount</b>	Offer price of \$0.018 per New Share represents an 41.9% discount to the last closing Share price of \$0.031 (as at 9 November 2023) and a 40.1% discount to the 10-day VWAP of \$0.0301 (as at 9 November 2023).
<b>Size</b>	Approximately 89.5 million New Shares
<b>Renounceability</b>	The Entitlement Offer is non-renounceable
<b>Gross proceeds</b>	Approximately \$1.6 million (before costs)

## Key dates

Event	Date
Announcement of the Entitlement Offer and Placement Information Booklet, Appendix 3B for the Offers and cleansing notice (for Entitlement Offer) lodged with ASX	Tuesday, 14 November 2023
Issue of Placement Shares and Appendix 2A	Monday, 20 November 2023
Shares quoted on an “Ex” basis	Tuesday, 21 November 2023
Record Date for eligibility under the Entitlement Offer (4.00pm AWST)	Wednesday, 22 November 2023
Information Booklet and Entitlement and Acceptance Form despatched to Eligible Shareholders Entitlement Offer opens	Monday, 27 November 2023
Last day to extend Entitlement Offer Closing Date	Wednesday, 6 December 2023
Entitlement Offer closes (5.00pm AWST)	Monday, 11 December 2023
Unless otherwise determined by ASX, New Shares are quoted on a deferred settlement basis from market open	Tuesday, 12 December 2023
Announcement of results of Entitlement Offer	Thursday, 14 December 2023
Issue of New Shares under the Entitlement Offer Appendix 2A for Entitlement Offer lodged with ASX (Before noon AEST)	Monday, 18 December 2023

**Notes:** The timetable above (and each reference to or to dates in this Information Booklet) is indicative only and may change. The Company reserves the right to amend any or all of these dates and times without notice, subject to the Corporations Act, the Listing Rules and other applicable laws. In particular, the Company reserves the right to extend the Closing Date and to accept late Applications (either generally or in particular cases). Any extension of the Closing Date will have a consequential effect on the allotment date of New Shares. The commencement of quotation of the New Shares is subject to confirmation from ASX.

*The Company also reserves the right not to proceed with the Entitlement Offer in whole or in part at any time prior to allotment and issue of the New Shares. In that event, the relevant Application Monies (without interest) will be returned in full to Applicants. Cooling-off rights do not apply to an investment in New Shares. You cannot withdraw your Application. Eligible Shareholders wishing to participate in the Entitlement Offer are encouraged to submit their Entitlement and Acceptance Form as soon as possible after the Entitlement Offer opens.*

## **Enquiries**

If you have any doubt about whether you should participate in the Entitlement Offer, you should seek professional financial advice from your stockbroker, solicitor, accountant or other suitably qualified professional financial adviser before making any investment decision. For further information on the Entitlement Offer, if you have questions on how to complete the Entitlement and Acceptance Form, you may contact the information line on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) between 8.30am and 7.00pm (AEDT), Monday to Friday during the Entitlement Offer period.



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## 1. Summary of options available to you

If you are an Eligible Shareholder, you may take one of the following actions:

- (a) take up all of your Entitlement and if you do so, you may also apply for additional New Shares under the Top-Up Facility (see sections 2.2 and 2.3 for details); or
- (b) take up part of your Entitlement and allow the balance to lapse; or
- (c) do nothing, in which case your Entitlement will lapse and you will receive no value for the lapsed Entitlement.

If you are a Shareholder that is not an Eligible Shareholder, you are an '**Ineligible Shareholder**'. Ineligible Shareholders are not entitled to participate in the Entitlement Offer and should refer to section 6.3 for further information.

Options available to you	Key considerations	For further information
<b>Option One:</b> Take up all of your Entitlement	<p>You may elect to purchase New Shares at the Offer Price (see <i>section 4 "How to Apply"</i> for instructions on how to take up your Entitlement). The Entitlement Offer closes at 5.00pm (AWST) on 11 December 2023.</p> <p>The New Shares will be fully paid and rank equally in all respects with existing Shares on issue (including rights to dividends and distributions).</p> <p>If you take up all of your Entitlement, you may also apply for additional New Shares under the Top-Up Facility. Details of the Top-Up Facility and the allocation policy are included in sections 2.2 and 2.3. There is no guarantee that you will be allocated any additional New Shares under the Top-Up Facility.</p>	See section 4.4
<b>Option Two:</b> Take up part of your Entitlement	<p>If you do not take up your Entitlement in full, those entitlements will lapse and you will not receive any payment or value for them.</p> <p>You will not be entitled to apply for additional New Shares under the Top-Up Facility.</p> <p>If you do not take up your Entitlement in full, you may have your proportionate equity interest in the Company reduced as a result of dilution by the New Shares issued under the Entitlement Offer.</p>	See section 4.5

Options available to you	Key considerations	For further information
<p><b>Option Three:</b> Do nothing, in which case your Entitlement will lapse, and you will receive no value for your lapsed Entitlement</p>	<p>If you do not take up your Entitlement, you will not be allocated New Shares and your Entitlements will lapse. Your Entitlement to participate in the Entitlement Offer is non-renounceable, which means your Entitlements are non-transferrable and cannot be sold, traded on ASX or any other exchange, nor can they be privately transferred.</p> <p>If you do not take up your Entitlement your proportionate equity interest in the Company will be diluted as a result of the Entitlement Offer.</p>	<p>See section 4.5</p>

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## **2. Overview of the Entitlement Offer**

### **2.1 Entitlement Offer**

- (a) The Company intends to raise up to approximately \$1.6 million (before costs) under the Entitlement Offer via an offer of approximately 89.5 million New Shares at an Offer Price of \$0.018 per New Share. The Company intends to use the proceeds of the Entitlement Offer in accordance with the use of funds outlined in section 3.2.
- (b) New Shares issued under the Entitlement Offer will rank equally with the Company's existing Shares on issue.

### **2.2 Top-Up Facility**

Eligible Shareholders who take up their Entitlements in full may also apply for additional New Shares in the Top-Up Facility. Please note that New Shares in excess of Entitlements will only be allocated to Eligible Shareholders if and to the extent that the Company determines in its absolute discretion based on the Allocation Policy outlined in section 2.3 below.

The number of additional New Shares under the Top-Up Facility will be capped at an additional 100% of an Eligible Shareholder's Entitlement. Accordingly, the maximum number of New Shares that may be issued to an Eligible Holder under the Entitlement Offer and Top-Up Facility will be a total of 200% of their Entitlement.

### **2.3 Allocation policy**

- (a) The Allocation Policy is that each Eligible Shareholder that:
  - (i) takes up their Entitlement in full; and
  - (ii) subscribes for additional New Shares under the Top-Up Facility,will be allocated a number of additional New Shares that is the number of additional New Shares subscribed for by that Eligible Shareholder.

There will be cap of 100% of an Eligible Shareholder's Entitlement applied to applications under the Top-Up Facility and allocations may be scaled-back pro rata if the Top-Up Facility is oversubscribed.
- (b) Notwithstanding any of the above:
  - (i) there is no guarantee that any application in the Top-Up Facility will be successful and the Company reserves the right to issue any shortfall by way of the Top-Up Facility or by other means and reserves the right to satisfy applications in the Top-Up Facility at its sole and complete discretion, including by applying the pro rata scale-back mechanism;
  - (ii) the Top-Up Facility has the same closing date as the Entitlement Offer (being, 11 December 2023);
  - (iii) the issue price of additional New Shares under the Top-Up Facility is the same as the Offer Price, \$0.018 per additional New Share; and
  - (iv) the Company will not issue additional New Shares under the Top-Up Facility where to do so would result in a breach of its constitution, the Corporations Act or the ASX Listing Rules.

### **2.4 Underwriting**

The Entitlement Offer is fully underwritten by the Underwriter, CPS Capital Group Pty Ltd, subject to the terms and conditions of the Underwriting Agreement dated on or around 13 November 2023. Please refer to section 6.8 for details.

In the event of any shortfall of New Shares under the Entitlement Offer and Top-Up Facility (**Shortfall Shares**), such Shortfall Shares will be subscribed for by the Underwriter, in accordance with the terms of the Underwriting Agreement.

## **2.5 Ranking of New Shares**

The New Shares issued under the Entitlement Offer will be fully paid and rank equally with existing Shares on issue. The rights attaching to the New Shares are set out in the Company's constitution and are regulated by the Corporations Act, Listing Rules and general law.

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### 3. Effect of the Entitlement Offer

#### 3.1 Capital structure

##### (a) Share capital

The proposed capital structure of the Company following the issue of the New Shares in connection with the Placement and Entitlement Offer will be as follows:

	Number
Shares on issue as at the date of this Information Booklet	116,756,931
Shares to be issued under the Placement	17,511,889
New Shares to be issued under the Entitlement Offer	89,512,547
<b>TOTAL</b>	<b>223,781,367</b>

The final number of New Shares to be issued under the Entitlement Offer is subject to rounding and reconciliation.

##### (b) Other securities

As at the date of this Information Booklet, the Company has on issue:

Security	Number
Options <sup>(1)</sup>	32,749,999
<b>TOTAL</b>	<b>32,749,999</b>

**Notes:**

- Options with exercise prices ranging from between \$0.10 to \$0.3894 and with expiry dates ranging between 10 December 2023 and 20 March 2026.

In addition, and subject to Shareholder approval, the Company is required to issue 15,000,000 Lead Manager Options to the Underwriter (or nominee) in connection with the Placement and 1 Lead Manager Option for every 2 New Shares underwritten pursuant to the Entitlement Offer (refer to Section 6.8(a) for more information).

### 3.2 Use of proceeds

The Company intends to apply the funds raised from the Entitlement Offer and the Placement in accordance with the table below:

Use of funds	Allocation of funds (\$'000)	Percentage use of funds (%)
Exploration & Development – Mukinbudin Rare Earths Project	\$750	39.47%
Exploration & Development – Northampton Polymetallic Project	\$315	16.58%
Exploration & Development – Murchison Gold Projects	\$50	2.63%
Business Development & Other Opportunities <sup>1</sup>	\$200	10.53%
Corporate & working capital <sup>2</sup>	\$435	22.89%
Costs of the Offers	\$150	7.89%
<b>TOTAL</b>	<b>\$1,900</b>	<b>100.0%</b>

**Notes:**

1. *Business development and other opportunities includes salaries for personnel focussed on business development activities together with an allowance for costs involved in due diligence processes for assessing new opportunities.*
2. *Working capital includes the general costs associated with the management and operation of the business including administration expenses, rent and other associated costs. Working capital also includes surplus funds. The Directors will allocate surplus funds at their discretion.*

The above table is a statement of current intentions as at the date of this Information Booklet. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including market conditions, the development of new opportunities and/or any number of other factors (including the risk factors summarised in section 7). Actual expenditure levels may also differ significantly from the above estimates.

Although the Company's immediate focus will be on its existing projects, the Company is continually assessing new business opportunities which complement its business. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of permits, and/or direct equity participation.

Where it is appropriate, the use of further equity or debt funding may be considered by the Board.



### 3.3 Director interests

The relevant interest of each of the Directors in Shares as at the date of this Information Booklet, together with their Entitlement under the Entitlement Offer are set out below:

Director	Existing Shares		Entitlement <sup>(1)</sup>
	Number of Shares	Voting power <sup>(1)</sup> (%)	
David Church <sup>(2)</sup>	2,131,017	1.83%	1,420,678
Michael Caruso <sup>(3)</sup>	11,757,543	10.07%	7,838,362
Adam Miethke <sup>(4)</sup>	947,223	0.81%	631,482
Philip Re	Nil	Nil	Nil

**Notes:**

1. Calculated based on the Shares on issue at the date of this Information Booklet.
2. Shares are held indirectly via Highland Company Pty Ltd <Highland A/C>, an entity of which Mr Church is a director and shareholder.
3. Shares are held directly by Mr Caruso.
4. Shares are held indirectly via Horizon Investment Services Pty Ltd, an entity of which Adam Miethke is a director.

As at the date of this Information Booklet, David Church has indicated that he intends to take up all of his Entitlement in full. Michael Caruso and Adam Miethke have indicated that they do not intend to apply for any of their Entitlement.

### 3.4 Substantial Shareholders

The relevant interest of each of the substantial Shareholders in Shares as at the date of this Information Booklet, together with their Entitlement under the Entitlement Offer are set out below:

Substantial Shareholder	Shares <sup>(1)</sup>	Voting power <sup>(2)</sup> (%)	Entitlement
Michael Caruso	11,757,543	10.07%	7,838,362
Syndicate Minerals Pty Ltd	6,916,667	5.92%	4,611,112

**Notes:**

1. Calculated based on the Shares on issue at the date of this Information Booklet.
2. The shareholding listed above are as disclosed to the Company by the shareholder in substantial holding notices. Information regarding substantial holdings that arise, change or cease after the date of the substantial holding notices disclosed to the Company, or in respect of which the relevant announcement is not available on the ASX's website ([www.asx.com.au](http://www.asx.com.au)), is not included above.

### 3.5 Control issues and consequences of the Entitlement Offer

- (a) The maximum number of New Shares to be issued under the Entitlement Offer is 89,512,547 (subject to rounding) which will constitute approximately 40% of the Shares on issue following completion of the Entitlement Offer (assuming no other Shares are issued or convertible securities exercised or converted prior to the Record Date, other than pursuant to the Placement).
- (b) Eligible Shareholders who do not take up their Entitlement in full may be diluted relative to those Eligible Shareholders who apply for some or all of their Entitlement.

The extent of dilution will depend on the extent to which Eligible Shareholders take up their Entitlement.

- (c) The proportional interests of Ineligible Shareholders will also be diluted because such Shareholders are not entitled to participate in the Entitlement Offer.
- (d) To the best of the Company's knowledge, it is not expected that any Shareholder will increase their relevant interest above 20% as a result of participating in the Entitlement Offer.
- (e) If no Eligible Shareholders take up their Entitlements (which the Board considers unlikely), then the Underwriter will be required to subscribe, or procure subscriptions from others, for the Shortfall Shares subject to the terms of the Underwriting Agreement (see section 6.8 for further information). In these circumstances, the maximum theoretical increase in voting power of the Underwriter (or any sub-underwriter) will be approximately 40%.<sup>1</sup> However, as the Underwriter's obligations will be at least partially sub-underwritten, the Board considers that the Entitlement Offer will not affect the control of the Company. Further, having regard to the sub-underwriting arrangements, even if a substantial shortfall arose, the Board does not consider that there would be a material impact on the control of the Company.
- (f) The voting power in the Company of ineligible foreign shareholders of the Company will be diluted.

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<sup>1</sup> Having regard to the number of Shares on issue following completion of the Entitlement Offer.

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## **4. How to apply**

### **4.1 Entitlement Offer**

- (a) The Entitlement Offer constitutes an offer to Eligible Shareholders to apply for 2 New Shares for every 3 Shares held on the Record Date. Please refer to sections 6.1 and 6.2 regarding your eligibility to participate in the Entitlement Offer.
- (b) The Entitlement Offer opens on 27 November 2023 and the Information Booklet will be made available by that date, along with a personalised Entitlement and Acceptance Form, to Eligible Shareholders. The Entitlement Offer is expected to close at 5.00pm (AWST) on 11 December 2023.
- (c) The Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*) which allows rights issues to be offered without a prospectus, provided certain conditions are satisfied.
- (d) As a result, the Entitlement Offer is not being made under a prospectus and it is important for Eligible Shareholders to read and understand the information on the Company and the Entitlement Offer made publicly available by the Company, prior to taking up all or part of their Entitlement. In particular, please refer to the materials enclosed in section 5, the Company's interim and annual reports, other announcements made available at [www.asx.com.au](http://www.asx.com.au) and all other parts of this Information Booklet carefully before making any decisions in relation to your Entitlement.
- (e) Eligible Shareholders should be aware that an investment in the Company, including taking up your Entitlement, involves risks. The key risks identified by the Company are summarised in section 7. These are not an exhaustive list of the risks associated with an investment in the Company.

### **4.2 Your Entitlement**

An Entitlement and Acceptance Form setting out your Entitlement (calculated as 2 New Shares for every 3 Shares held on the Record Date with fractional entitlements rounded up to the nearest whole number of New Shares) will accompany this Information Booklet. If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have a separate Entitlement for each separate holding. Your personalised Entitlement and Acceptance Form can be accessed at <https://investor.automic.com.au/#/home>.

### **4.3 Options available to you**

- (a) The number of New Shares to which Eligible Shareholders are entitled is shown on the Entitlement and Acceptance Form that will accompany this Information Booklet. Eligible Shareholders may:
  - (i) take up their Entitlement in full and, if they do so, they may apply for additional New Shares under the Top-Up Facility (refer to section 2.2 for further information);
  - (ii) take up part of their Entitlement and allow the balance to lapse;
  - (iii) do nothing, in which case their Entitlement will lapse (refer to section 4.5 for further information) and they will not receive any value for their Entitlement.
- (b) The Entitlement Offer is an offer to Eligible Shareholders only. Ineligible Shareholders may not take up any of their Entitlements. Ineligible Shareholders should refer to section 6.3.

- (c) The Company reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed or that is received after the Closing Date.
- (d) The expected Closing Date for acceptance of the Entitlement Offer is 5.00pm (AWST) on 11 December 2023.

#### **4.4 Taking up all of your Entitlement, or taking up all of your Entitlement and applying for additional New Shares under the Top-Up Facility**

- (a) If you wish to take up all of your Entitlement, payment must be made by following the instructions on the personalised Entitlement and Acceptance Form which can be accessed at <https://investor.automic.com.au/#/home>. Please read the instructions carefully. Payments can be by the methods set out in sections 4.8 and 4.9.
- (b) Payment must be received by no later than 5.00pm (AWST) on the Closing Date. If you apply to take up all of your Entitlement, you may also apply for additional New Shares under the Top-Up Facility. Amounts received by the Company in excess of the Offer Price, may be treated as an Application to apply for as many additional New Shares as your Application Monies will pay for in full.
- (c) In the event there is a shortfall under the Entitlement Offer, additional New Shares may be allotted under the Top-Up Facility in accordance with the terms and conditions in sections 2.2 and 2.3. If you apply for additional New Shares under the Top-Up Facility and if your Application is successful (in whole or in part), your additional New Shares will be issued to you at the same time that other New Shares are issued under the Entitlement Offer. If you apply for additional New Shares, there is no guarantee that you will be allocated any additional New Shares.
- (d) Any New Shares referable to Entitlements not taken up by the Closing Date may be made available to those Eligible Shareholders who took up their full Entitlement and applied for additional New Shares under the Top-Up Facility. There is no guarantee that such Shareholders will receive the number of New Shares applied for under the Top-Up Facility. New Shares referable to Entitlements not taken up by the Closing Date will only be allocated to participants in the Top-Up Facility in accordance with the terms and conditions in sections 2.2 and 2.3.
- (e) Refund amounts, if any, will be paid in Australian dollars. You will be paid by direct credit to the nominated bank account as noted on the share register as at the Closing Date. If your nominated bank account details are not recorded, the Share Registry will contact you directly via letter or email to obtain your nominated bank account details.

#### **4.5 Allowing your Entitlement to lapse**

If you do not wish to accept all or any part of your Entitlement, do not take any further action and all or that part of your Entitlement will lapse.

#### **4.6 Consequences of not accepting all or part of your Entitlement**

If you do not accept all or part of your Entitlement in accordance with the instructions set out above, those New Shares for which you would have otherwise been entitled under the Entitlement Offer (including New Shares that relate to the portion of your Entitlement that have not been accepted) may be acquired by Eligible Shareholders under the Top-Up Facility. Your Entitlement to participate in the Entitlement Offer is non-renounceable and cannot be traded on the ASX nor any other financial markets, nor can it be privately transferred.

By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement and you will not receive any payment or value for all or that part of your Entitlement. Your interest in the Company will also be diluted.

#### 4.7 Payment

- (a) Payment should be made using BPAY®. If you are based in New Zealand and unable to pay using BPAY®, payments can be made by Electronic Funds Transfer (EFT) (see section 4.9).
- (b) Cash, cheques, bank drafts and money order payments will not be accepted. Receipts for payments will not be issued.
- (c) The Company will treat you as applying for as many New Shares as your payment will pay for in full up to your Entitlement. If your payment will pay for more than your full Entitlement, the Company will treat you as applying for your full Entitlement and in respect of any excess amount, applying for as many additional New Shares under the Top-Up Facility as it will pay for in full.
- (d) Any Application Monies received for more than your final allocation of New Shares will be refunded as soon as practicable after the close of the Entitlement Offer. No interest will be paid to applicants on any Application Monies received or refunded.
- (e) If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding your application will not be recognised as valid.

#### 4.8 Payment by BPAY®

- (a) For payment by BPAY®, please follow the instructions on the personalised Entitlement and Acceptance Form. You can only make payment via BPAY® if you are the holder of an account with any Australian financial institution that supports BPAY® transactions.
- (b) If you are paying by BPAY®, please make sure you use the specific Biller Code and your unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form.
- (c) If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding your Application will not be recognised as valid.
- (d) Please note that by paying by BPAY®:
  - (i) you do not need to send your personalised Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties referred to on that Entitlement and Acceptance Form and in section 4.10;
  - (ii) if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies; and
  - (iii) if you pay more than is required to subscribe for your Entitlement, you will be deemed to have applied for additional New Shares under the Top-Up Facility, to the extent of the excess.
- (e) It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00pm on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make payment. The Company shall not be responsible for any delay in the receipt of the BPAY® payment.

#### **4.9 Payment by Electronic Funds Transfer (EFT)**

- (a) Eligible Shareholders with a registered address in New Zealand may not have access to pay by BPAY® and can make payment by EFT. Payment details for EFT can be accessed at <https://investor.automic.com.au/#/home> (log in via 'Single Holding' button and follow the prompts) and access your personalised Entitlement and Acceptance Form and Electronic Funds Transfer Form which contains instructions on how to pay via EFT using the relevant SWIFT Code, for your Entitlement and the amount of any additional New Shares under the Top-Up Facility for which you are applying. You must quote your reference number noted on your personalised Entitlement and Acceptance Form when making payment or we may not be able to match your funds to your entitlement and your application monies may need to be refunded to you.
- (b) Your EFT payment must be:
  - (i) for an amount equal to \$0.018 multiplied by the number of New Shares (and additional New Shares under the Top-Up Facility, if applicable) that you are applying for; and
  - (ii) in Australian currency. Payment cannot be made in New Zealand dollars. New Zealand resident Shareholders must arrange for payment to be made in Australian dollars.
- (c) It is your responsibility to ensure that your payment by direct transfer is received by the Share Registry by no later than 5.00pm on the Closing Date. Applicants should be aware of their financial institution's cut-off time (the payment must be made to be processed overnight) and it is the Applicant's responsibility to ensure funds are submitted correctly. The Company and the Share Registry accept no responsibility for incorrect, delayed or misdelivered Application Forms or payments.
- (d) Your Application payment may incur fees and charges from your bank or any intermediary bank as well as the receiving bank. You may have an option to choose that fees are not deducted from the amount transferred however the receiving bank may still deduct a fee for receiving a foreign transfer. If you are paying from a bank account that is not in Australian dollars you may also incur foreign exchange fees.

#### **4.10 Entitlement and Acceptance Form is binding**

- (a) A payment made through BPAY® or, if you are based in New Zealand, by EFT constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Information Booklet and, once paid, cannot be withdrawn. The Company's decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.
- (b) By making a payment by BPAY® or, if you are based in New Zealand, by EFT, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:
  - (i) you are (or the person on whose account you are acting is) an Eligible Shareholder;
  - (ii) you acknowledge that you have read and understand this Information Booklet and your personalised Entitlement and Acceptance Form in their entirety;
  - (iii) you agree to be bound by the terms of the Entitlement Offer, the provisions of this Information Booklet (and accompanying Entitlement Acceptance Form), and the Company's constitution;
  - (iv) you authorise the Company to register you as the holder(s) of New Shares allotted to you;

- (v) you declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- (vi) you declare that you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- (vii) you acknowledge that once the Company receives any payment of Application Monies via BPAY® or, if you are based in New Zealand, by direct transfer, you may not withdraw your Application or Application Monies provided except as allowed by law;
- (viii) you agree to apply for and be issued up to the number of New Shares (and any additional New Shares) for which you have submitted payment of any Application Monies via BPAY® or, if you are based in New Zealand, by direct transfer, at the Offer Price per New Share;
- (ix) you authorise the Company, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- (x) you declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- (xi) you acknowledge that the information contained in this Information Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- (xii) you acknowledge that this Information Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- (xiii) you acknowledge the statement of risks in section 7, and that investments in the Company are subject to risk;
- (xiv) you acknowledge that the Company, its related bodies corporate and affiliates and its directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the Company, the performance of the New Shares offered under the Entitlement Offer nor do they guarantee the repayment of capital;
- (xv) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Shares on the Record Date;
- (xvi) you authorise the Company to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- (xvii) you acknowledge and agree that determination of eligibility of investors for the purposes of the Entitlement Offer was determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Company, and the Company, its related bodies corporate and affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise of that discretion to the maximum extent permitted by law;

- (xviii) you represent and warrant that the law of any place does not prohibit you from being given this Information Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an Application for New Shares and that you are otherwise eligible to participate in the Entitlement Offer; and
- (xix) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or, subject to the restrictions in section 6.2, New Zealand.

#### **4.11 Brokerage and stamp duty**

No brokerage fee is payable by Eligible Shareholders who accept their Entitlement. No stamp duty should be payable for subscribing for New Shares under the Entitlement Offer or for additional New Shares under the Top-Up Facility on the basis that all of the shares in the Company are quoted on the ASX (i.e. no classes of unquoted shares on issue) and no person, either alone or together with associated or related persons or as part of substantially one transaction or arrangement with other persons, will hold an interest of 90% or more in the Company.

#### **4.12 Notice to nominees and custodians**

- (a) The Entitlement Offer is being made to all Eligible Shareholders. Nominees with registered addresses in the eligible jurisdictions, may participate in the Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold Shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Shareholder.
- (b) Nominees and custodians should note in particular that the Entitlement Offer is not available to:
  - (i) beneficiaries on whose behalf they hold Shares who would not satisfy the criteria for an Eligible Shareholder; or
  - (ii) Shareholders who are not eligible under all applicable securities laws to receive an offer under the Entitlement Offer.
- (c) In particular, persons acting as nominees or custodians for other persons may not take up Entitlements on behalf of, or send any documents relating to the Entitlement Offer to, any person outside Australia or, subject to the restrictions in section 6.2, New Zealand.
- (d) The Company is not required to determine whether or not any registered holder is acting as a nominee or custodian or the identity or residence of any beneficial owners of Shares. The Company is not able to advise on foreign laws.
- (e) For the avoidance of doubt, the Company reserves the right (in its absolute sole discretion) to reduce the number of New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claims prove to be overstated or they fail to provide information to substantiate their claims.
- (f) The Company also reserves the right to reject any acceptance of an Entitlement that it believes comes from a person who is not eligible to accept an Entitlement.

#### **4.13 Withdrawal of the Entitlement Offer**

Subject to applicable law, the Company reserves the right to withdraw the Entitlement Offer at any time before the issue of New Shares, in which case the Company will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest being payable to applicants.



#### **4.14 Further enquiries**

If you have any questions regarding the Entitlement Offer, please contact the information line on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) between 8.30am and 7.00pm (AEDT), Monday to Friday during the Entitlement Offer period. If you have any further questions, you should contact your stockbroker, solicitor, accountant or other professional adviser.

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## **6. Additional Information**

### **6.1 Eligibility of Shareholders**

- (a) The Entitlement Offer is being offered to all Eligible Shareholders only.
- (b) Eligible Shareholders are Shareholders on the Record Date who:
  - (i) are registered as holders of Shares;
  - (ii) have a registered address in Australia or, subject to the restrictions in section 6.2, New Zealand or are a Shareholder that the Company has otherwise determined is eligible to participate in the Entitlement Offer; and
  - (iii) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer,

**(Eligible Shareholders).**
- (c) By making a payment by BPAY® or, if you are based in New Zealand, by direct transfer, you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Shareholder. Nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

### **6.2 Overseas Shareholders**

- (a) This Information Booklet does not constitute an offer of Entitlements or New Shares in any jurisdiction in which it would be unlawful. In particular, this Information Booklet may not be distributed to any person, and such securities may not be offered or sold, in any country outside Australia except to the extent permitted below.
- (b) **Notice to investors in New Zealand**

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021. The offer of New Shares is non-renounceable.

This Information Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This Information Booklet is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

### **6.3 Ineligible Shareholders**

- (a) All Shareholders who do not satisfy the criteria to be Eligible Shareholders, are Ineligible Shareholders. Ineligible Shareholders are not entitled to participate in the Entitlement Offer, unless the Company otherwise determines.
- (b) The restrictions upon eligibility to participate in the Entitlement Offer arise because the Company has determined, pursuant to Listing Rule 7.7.1(a) and section 9A(3)(a) of the Corporations Act, that it would be unreasonable to extend the Entitlement Offer to Ineligible Shareholders. This decision has been made after taking into account the number of non-residents in Australia and New Zealand on the Company's share register, the relatively small number and value of New Shares to which those Shareholders would otherwise be entitled and the potential costs of complying with legal and regulatory requirements in the jurisdictions in which the Ineligible Shareholders are located in relation to the Entitlement Offer.

- (c) The Company, in its absolute discretion, may extend the Entitlement Offer to any Shareholder if it is satisfied that the Entitlement Offer may be made to the Shareholder in compliance with all applicable laws. The Company, in its absolute discretion, reserves the right to determine whether a Shareholder is an Eligible Shareholder or an Ineligible Shareholder. To the maximum extent permitted by law, the Company disclaims all liability in respect of such determination.

#### **6.4 Allotment, trading and quotation**

- (a) The Company will apply for quotation of the New Shares on ASX in accordance with Listing Rule requirements. If ASX does not grant quotation of the New Shares, the Company will repay all Application Monies (without interest).
- (b) Trading of New Shares will, subject to ASX approval, occur shortly after allotment. It is expected that allotment of the New Shares under the Entitlement Offer will take place on 18 December 2023. Application Monies will be held by the Company on trust for Applicants until the New Shares are allotted. No interest will be paid on Application Monies.
- (c) Subject to approval being granted, it is expected that the New Shares allotted under the Entitlement Offer will commence trading on a normal basis on 20 December 2023.
- (d) It is the responsibility of Applicants to determine the number of New Shares allotted and issued to them prior to trading in the New Shares. The sale by an Applicant of New Shares prior to receiving their holding statement is at the Applicant's own risk. The Company disclaims all liability whether in negligence or otherwise (to the maximum extent permitted by law) to persons who trade New Shares before receiving their holding statements, whether on the basis of confirmation of the allocation provided by the Company or the Share Registry or otherwise.

#### **6.5 Reconciliation**

- (a) In any entitlement offer, investors may believe that they own more Shares on the Record Date than they ultimately do. This may result in a need for reconciliation to ensure all Eligible Shareholders have the opportunity to receive their full Entitlement.
- (b) The Company may need to issue a small quantity of additional New Shares to ensure all Eligible Shareholders have the opportunity to receive their appropriate allocation of New Shares. The price at which these New Shares would be issued, if required, is the same as the Offer Price.
- (c) The Company also reserves the right to reduce the Entitlement or the number of New Shares allocated to Eligible Shareholders or persons claiming to be Eligible Shareholders, if their Entitlement claims prove to be overstated, if they or their nominees/custodians fail to provide information requested to substantiate their Entitlement claims, or if they are not Eligible Shareholders.

#### **6.6 Continuous disclosure**

- (a) The Company is a "disclosing entity" under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules, including the preparation of annual reports and half yearly reports.
- (b) The Company is required to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the stock markets conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain exceptions) to notify ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of Shares. That information is available to the public from ASX and can be accessed at [www.asx.com.au](http://www.asx.com.au).

## 6.7 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your Application once it has been made.

## 6.8 Underwriting Agreement

The Company has entered into an underwriting agreement with the Underwriter (**Underwriting Agreement**). In accordance with the terms and conditions of the Underwriting Agreement, the Underwriter was appointed by the Company to act as lead manager for the Placement and Entitlement Offer and to fully underwrite the Entitlement Offer.

The obligation on the Underwriter to underwrite the Entitlement Offer is conditional on certain customary matters, including the Company delivering certain certificates, sign-offs and opinions to the Underwriter.

Additionally, the Underwriter may (in certain circumstances having regard to the materiality of the relevant event) terminate the Underwriting Agreement and be released from its obligations under it on the occurrence of certain events, which are set out in Section 6.8(b) of this Information Booklet).

Capitalised terms in this summary have the meaning given to them in the Underwriting Agreement unless otherwise defined in this Information Booklet.

The key material terms of the Underwriting Agreement are summarised below:

### (a) Fees

The Underwriter will receive the following fees in connection with the Underwriting Agreement:

- (i) in respect of the Placement:
  - (A) a management fee of 2% of the gross proceeds of the Placement; and
  - (B) a selling fee of 4% of the gross proceeds of the Placement; and
  - (C) 15,000,000 options exercisable at \$0.03 each and expiring 3 years from the date of issue (**Lead Manager Options**), subject to the receipt of Shareholder approval; and
- (ii) in respect of the Entitlement Offer:
  - (A) a management fee of 2% of the gross proceeds of the Entitlement Offer, regardless of which investors those funds are received from and whether the funds are received or arranged by the Company, the Underwriter or a third party;
  - (B) an underwriting fee of 4% of the gross proceeds of the Entitlement Offer, excluding any amounts raised from the Directors (or their related parties); and
  - (C) 1 Lead Manager Option for every 2 Shares underwritten by the Underwriter, subject to the receipt of Shareholder approval.

### (b) Termination events

The Underwriter may terminate its obligations under the Underwriting Agreement if any of the 'termination events' described below occurs before Entitlement Offer settlement date (being 18 December 2023) or such other time specified below.

Termination events unqualified by materiality

The Underwriter may terminate its obligations under the Underwriting Agreement if:

- (i) **(Offer Withdrawn):** the Entitlement Offer is withdrawn by the Company;
- (ii) **(No Listing Approval):** the Company fails to lodge an Appendix 2A in relation to the underwritten Shares with ASX by the time required by the Listing Rules, the Corporations Act or any other regulations;
- (iii) **(Corrective Disclosure):**
  - (1) the Underwriter, having elected not to exercise its right to terminate its obligations under this Agreement as a result of an occurrence as described in clause 1.1(xiii), forms the view on reasonable grounds that a corrective document should be lodged with ASX and ASIC to comply with the Corporations Act and the Company fails to lodge a corrective document in such form and content and within such time as the Underwriter may reasonably require; or
  - (2) the Company lodges a corrective document without the prior written agreement of the Underwriter (which agreement the Underwriter may not unreasonably withhold);
- (iv) **(Misleading Documents):** it transpires that there is a statement in the Information Booklet that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Information Booklet or if any statement in the Information Booklet becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Information Booklet is or becomes misleading or deceptive or likely to mislead or deceive;
- (v) **(Restriction on issue):** the Company is prevented from issuing the underwritten Shares within the time required by this Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- (vi) **(ASIC application):** an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Offer, provided that the Shortfall Notice Deadline Date has arrived, and that application has not been dismissed or withdrawn;
- (vii) **(Takeovers Panel):** the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel and is not withdrawn or disposed of by the Shortfall Notice Deadline Date, either of which in the Underwriter's reasonable opinion has a material adverse effect;
- (viii) **(Indictable offence):** a director or senior manager of the Company is charged with an indictable offence that has a material adverse effect;
- (ix) **(Market Movement):** the S&P/ASX Small Ordinaries index falls by 10% or more below the level of the S&P/ASX Small Ordinaries index on the date of the Underwriting Agreement at the close of trading;
  - (1) for at least two consecutive Business Days in the period between the Execution Date and the Business Day prior to the Settlement Date; or
  - (2) on the Business Day immediately prior to the Settlement Date; or
- (x) **(Default):** default or breach by the Company under this Agreement of any terms, condition, covenant or undertaking and the default or breach is either incapable of remedy or is not remedied within 10 Business Days after the

Underwriter notifies the Company of the default or breach or by the Shortfall Notice Deadline Date, whichever is earlier;

- (xi) **(Incorrect or untrue representation)**: any representation, warranty or undertaking given by the Company in this Agreement is or becomes untrue or incorrect to a material respect;
- (xii) **(Contravention of constitution or Act)**: a material contravention by the Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
- (xiii) **(Adverse change)**: an event occurs which gives rise to a Material Adverse Effect in relation to the assets, liabilities, financial position, trading results, profits, losses, prospects, business or operations of the Company;
- (xiv) **(Misleading information)**: any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the Issue or the affairs of the Company is or becomes misleading or deceptive or likely to mislead or deceive to a material respect;
- (xv) **(Change in Act or policy)**: there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;
- (xvi) **(Prescribed Occurrence)**: a Prescribed Occurrence occurs.

**Prescribed Occurrence** means:

- (A) the Company converting all or any of its Shares into a larger or smaller number of Shares;
- (B) the Company resolving to reduce its share capital in any way;
- (C) the Company:
  - (1) entering into a buy back agreement; or
  - (2) resolving to approve the terms of a buy back agreement under section 257D or 257E of the Corporations Act;
- (D) the Company making an issue of any of its shares or any other securities, or agreeing to make such an issue other than the issue of securities in accordance with the Offer, any securities issued or granted pursuant to any incentive plan or scheme for the issue of securities to employees or officers of the Company, any securities issued on conversion of convertible securities that are on issue at the Execution Date and any securities issued with the prior written consent of the Underwriter (such consent not to be unreasonably delayed or withheld);
- (E) the Company issuing, or agreeing to issue, convertible notes;
- (F) the Company disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (G) the Company charging, or agreeing to charge, the whole, or a substantial part, of its business or property;

- (H) the Company resolving that it be wound up;
  - (I) the appointment of a liquidator or provisional liquidator of the Company;
  - (J) the making of an order by a court for the winding up of the Company;
  - (K) an administrator of the Company, being appointed under section 436A, 436B or 436C of the Corporations Act;
  - (L) the Company executing a deed of company arrangement; or
  - (M) the appointment of a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of the Company.
- (ii) **(Suspension of debt payments)**: the Company suspends payment of its debts generally;
  - (iii) **(Event of Insolvency)**: an event of insolvency occurs in respect of the Company;
  - (iv) **(Judgment against the Company)**: a judgment in an amount exceeding \$100,000 is obtained against the Company and is not set aside or satisfied within seven days;
  - (v) **(Litigation)**: litigation, arbitration, administrative or industrial proceedings seeking damages in an amount exceeding \$100,000 are brought after the date of the Underwriting Agreement commenced against the Company;
  - (vi) **(Board and senior management composition)**: there is a change in the composition of the Board or a change in the senior management of the Company before the Issue without the prior written consent of the Underwriter (such consent not to be unreasonably delayed or withheld);
  - (vii) **(Change in shareholdings)**: a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to the Company;
  - (viii) **(Timetable)**: there is a delay in any specified date in the timetable which is greater than 3 Business Days, without the prior written consent of the Underwriter (such consent not to be unreasonably delayed or withheld);
  - (ix) **(Force Majeure)**: a Force Majeure affecting the Company's business or any obligation under the Agreement lasting in excess of seven days occurs;
  - (x) **(Certain resolutions passed)**: the Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
  - (xi) **(Hostilities)**: hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand the United States of America, the United Kingdom any member state of the European Union, Japan, the Peoples Republic of China or Indonesia, or a terrorist act is perpetrated on any of those countries or any diplomatic or political establishment of any of those countries elsewhere in the world, or a national emergency is declared by any of those countries; or
  - (xii) **(Adverse Change in Financial Markets)**: there occurs any material adverse change or material adverse disruption to the political or economic conditions

of financial markets in Australia, the United Kingdom, the United States of America or the international financial markets or any change or development involving a prospective change in national or international political, financial or economic conditions, including but not limited to the collapse of a major bank or financial institution.

(c) **Sub-underwriters**

The Underwriter may, in consultation with the Company, appoint sub-underwriters, at the Underwriter's cost, to sub-underwrite the Entitlement Offer.

**6.9 Director Sub-Underwriting**

The Underwriter has entered into a sub-underwriting agreement with Director, David Church (**Sub-Underwriter**) on the basis described below:

Sub-Underwriter	Extent of Sub-Underwriting		
	Commitment	Commitment amount	New Shares
David Church	Shortfall of the Entitlement Offer	\$100,000	5,555,556
<b>Total</b>	-	<b>\$100,000</b>	<b>5,555,556</b>

In consideration for sub-underwriting, the Underwriter will pay the Sub-Underwriter a cash fee of up to \$2,000.

If for any reason the Underwriter terminates its obligations under the Underwriting Agreement or the Company does not pay the Underwriter the fees in accordance with the Underwriting Agreement, the Sub-Underwriter's obligations will terminate immediately. The obligation of the Sub-Underwriter to sub-underwrite the Entitlement Offer on the basis described above is not subject to any other events of termination.



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## **7. Key risks**

This section identifies the areas that the Directors regard as the major risks associated with an investment in the Company. Investors should be aware that an investment in the Company involves many risks, many of which are outside of the control of the Company and its Directors. There are numerous widespread risks associated with investing in any form of business, with investing in the exploration, development and mining industry, and with investing in the share market generally. There is also a range of specific risks associated with the Company's business. The following is a non-exhaustive summary of some of the major risk factors which potential investors need to be aware of.

### **7.1 Additional requirements for capital**

The future capital requirements of the Company will depend on many factors including the results of future exploration and business development activities and landowner negotiations. The Company believes its available cash and resources following the capital raising should be adequate to fund its obligations in respect of its exploration and business development activities and other objectives for the foreseeable future.

Additional funding may be raised by the Company via the issue of equity or debt or a combination of debt and equity or asset sales. Any additional equity financing will dilute shareholders, and debt financing, if available, may involve restrictions on financing and operating activities.

If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its programs or enter joint venture arrangements to reduce expenditure, and this could have a material adverse effect on the Company's activities. Unfavourable market conditions may adversely affect the Company's ability to raise additional funding regardless of the Company's performance.

### **7.2 Underwriting risk**

The Company has entered into an underwriting agreement with CPS Capital under which CPS Capital has agreed to fully underwrite the Entitlement Offer, subject to the terms and conditions of the Underwriting Agreement. The Underwriting Agreement contains customary representations and warranties and indemnities in favour of the Underwriter for an agreement of this nature.

If the Underwriting Agreement is terminated for any reason, the Company may not receive the full amount of the proceeds expected under the Entitlement Offer, its financial position might change and it might need to take other steps to raise capital, including by raising additional debt.

A summary of the key material terms of the Underwriting Agreement is in section 6.8.

The Underwriter may, by notice given to the Company, and without cost or liability, immediately terminate their obligations under the Underwriting Agreement if any specified 'termination event' occurs or has occurred at any time before Entitlement Offer settlement date (being 18 December 2023) or such other time specified in the Underwriting Agreement (refer to section 6.8 for a non-exhaustive summary of the possible termination events).

### **7.3 Budget risk**

The exploration costs of the Company are based on certain assumptions with respect to the timing of exploration. By their nature, these estimates and assumptions are subject to uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions.

#### **7.4 Exploration risk**

Mineral exploration by its nature is a high-risk activity and there can be no guarantee of exploration success on the Company's projects. There can be no assurance that exploration of the tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited. Further, exploration involves certain operating hazards, such as failure and or breakdown of equipment, adverse geological, seismic, and geotechnical conditions, access to water, industrial accidents, labour disputes, adverse weather conditions, pollution and other environmental hazards and risks. The Company's activities may also be delayed by shortages in the availability of personnel (see *personnel and operating costs* risks below) and equipment shortages such as drilling rigs.

#### **7.5 Metallurgical risk**

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as identifying a metallurgical process through test work to produce a saleable product, developing an economic process route to produce a saleable product, and changes in mineralogy in the ore deposit can result in inconsistent ore grades and recovery rates affecting the economic viability of the project.

#### **7.6 Development and mining risk**

Ultimate and continuous success of the Company's activities is dependent on numerous factors including:

- (a) determination of Mineral Resources and Ore Reserves;
- (b) metallurgical recoveries, mineral processing outcomes and metal concentrate payabilities;
- (c) the development of economically recoverable Ore Reserves;
- (d) access to adequate capital to fund and develop its projects;
- (e) construction of efficient development and production infrastructure within capital expenditure budgets;
- (f) securing and maintaining title to interests;
- (g) obtaining regulatory consents and approvals necessary for the conduct of mineral exploration, development and production; and
- (h) retention of appropriately skilled and experienced employees, contractors, and consultants.

The Company's operations may be delayed or prevented because of factors beyond the Company's control including adverse weather conditions, environmental hazards, industrial accidents and disputes, technical failures, fires and other accidents, unusual or unexpected geological conditions, mechanical difficulties or a shortage of technical expertise or equipment.

There may be difficulties with obtaining government and/or third-party approvals, operational difficulties encountered with construction, extraction and production activities, unexpected shortages or increases in the price of consumables, plant and equipment, cost overruns or lack of access to required levels of funding.

The occurrence of any of these circumstances could result in the Company not realising its operational or development plans or such plans costing more than expected or taking longer to realise than planned. Any of these outcomes could have an adverse effect on the Company's financial and operational performance.

## **7.7 Personnel and operating costs**

The resources industry in Australia is currently very active. The skilled labour pool (management, technical and blue collar) is relatively inelastic. There is a high demand for skilled workers from competing operators. Tightening of the labour market due to a shortage of skilled labour, combined with a high industry turnover rate and growing number of competing employers for skilled labour, may inhibit the Company's ability to identify, retain and employ the skilled workers required for its operations. The Company may be exposed to increased labour costs in markets where the demand for labour is strong. A shortage of skilled labour may delay, or halt planned development, limit the Company's ability to grow its operations or lead to a decline in productivity.

## **7.8 Access to infrastructure risk**

Mining, processing, development, and exploration activities depend, to a significant degree, on adequate infrastructure. In the course of developing future mines, the Company may need to construct and/or update existing infrastructure, which includes permanent water supplies, dewatering, tailings storage facilities, power, maintenance facilities and logistics services and access roads. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could materially adversely affect the Company's operations, financial condition, and results of operations. Any such issues arising in respect of the supporting infrastructure or on the Company's sites could materially adversely affect the Company's results of operations or financial condition. Furthermore, any failure or unavailability of the Company's operational infrastructure (for example, through equipment failure or disruption to its transportation arrangements) could materially adversely affect its exploration activities or development of a mine or project.

## **7.9 Tenure risk**

Interests in tenements in Australia are governed by state legislation and are evidenced by the granting of licenses or leases. Each license or lease is for a specific term and has annual expenditure and reporting commitments, together with other conditions requiring compliance. The Company could lose its title to or its interest in one or more of the tenements in which it has an interest if license conditions are not met or if insufficient funds are available to meet the minimum expenditure commitments.

The Company's tenements, and other tenements in which the Company may acquire an interest, will be subject to renewal, which is usually at the discretion of the relevant authority. If a tenement is not renewed the Company may lose the opportunity to discover mineralisation and develop that tenement. The Company cannot guarantee that any of its tenement applications will be granted, or that tenements in which it presently has an interest will be renewed beyond their current expiry date.

## **7.10 Approval risk**

The Company will be reliant on heritage, environmental and other approvals to enable it to proceed with the exploration and development of any of its tenements or the granting of its tenement applications. There is no guarantee that the required approvals will be granted, and failure by the Company to obtain the relevant approvals, or any delay in the award or transfer of the approvals, may materially and adversely affect the Company's ability to proceed with its proposed exploration and development programs.

## **7.11 Access risk**

There is a substantial level of regulation and restriction on the ability of exploration and mining companies to have access to land in Australia. Agreements with native title holders, land owners, occupiers and land councils are generally required before gaining access to land for exploration and mining activities. Notwithstanding these agreements, there may still be a requirement for further periodical approvals and engagement for access. Inability or delays in

gaining such access may adversely impact the Company's ability to undertake its proposed activities. The Company may need to enter into compensation and access agreements before gaining access to land.

#### **7.12 Native Title and Aboriginal Heritage**

Access to land for exploration purposes can be adversely affected by land ownership, including private (freehold) land, pastoral lease and native title land or claims under the *Native Title Act 1993* (Cth) (**NTA**) (or similar legislation in the jurisdiction where the Company operates). The effect of the NTA is that existing and new tenements held by the Company may be affected by native title claims and procedures.

There is a risk that a determination could be made that native title exists in relation to land the subject of a tenement held or to be held by the Company which may affect the operation of the Company's business and development activities. In the event that it is determined that native title does exist or a native title claim has been registered, the Company may need to comply with procedures under the NTA in order to carry out its operations or to be granted any additional rights required. Such procedures may take considerable time, involve the negotiation of significant agreements, may involve access rights, and require the payment of compensation to those persons holding or claiming native title in the land the subject of a tenement.

The involvement in the administration and determination of native title issues may have a material adverse impact on the position of the Company in terms of cash flows, financial performance, business development, and the Share price.

#### **7.13 Payment obligations**

Pursuant to the tenements comprising the Company's projects, the Company will become subject to payment and other obligations. In particular, tenement holders are required to expend the funds necessary to meet the minimum work commitments attaching to the tenements. Failure to meet these work commitments may render the tenements liable to be cancelled or its size reduced. Further, if any contractual obligations are not complied with when due, in addition to any other remedies that may be available to other parties, this could result in dilution or forfeiture of the Company's interest in its projects.

#### **7.14 Commodity price volatility**

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company including the international supply and demand for commodities, the quality of the minerals produced, actions taken by governments, forward selling activities and other macroeconomic factors.

#### **7.15 Environmental risks**

The activities of the Company are subject to laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds and may cause environmental harm. It is the Company's intention to conduct its activities to the highest standard of environmental obligations, including compliance with all environmental laws, in order to minimise damage to the environment and risk of liability. Nevertheless, there are inherent risks in the Company's activities associated with damage to the environment and disposal of waste products occurring as a result of mineral exploration and production. Environmental approvals are required for exploration, development and mining activities and delays in obtaining such approvals can result in delays to anticipated exploration programs or mining activities. New environmental laws, regulations or stricter enforcement policies, if implemented, may oblige the Company to incur significant expense and undertake significant investment and could have a material adverse effect on its business, financial conditions and results of operations.

#### **7.16 Climate change risk**

Climate change is a risk the Company has considered, particularly related to its operations in the mining industry. The climate change risks particularly attributable to the Company include:

- (a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and
- (b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased risk of catastrophic bushfires, 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.

#### **7.17 Key personnel risk**

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

#### **7.18 Insurance risk**

The Company insures its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be available or of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. In addition, there is a risk that an insurer defaults in the payment of a legitimate claim by the Company.

#### **7.19 Occupational health and safety risk**

Mining and exploration activities have inherent risks and hazards. The Company is committed to providing a safe and healthy workplace and environment for its personnel, contractors, and visitors. The Company provides appropriate instructions, equipment, preventative measures, and first aid information, to all stakeholders through its occupational health and safety management systems. A serious site safety incident may expose the Company to significant penalties and the Company may be liable for compensation to the injured personnel. These liabilities may not be covered through the Company's insurance policies or, if they are covered, may exceed the Company's policy limits or be subject to significant deductibles. Also, any claim under the Company's insurance policies could increase the Company's future costs of insurance. Accordingly, any liabilities for workplace accidents could have a material adverse impact on the Company's liquidity and financial results. It is not possible to anticipate the effect on the Company's business from any changes to workplace occupational health and safety legislation or directions or necessitated by a concern for the health of the workforce. Such changes may have an adverse impact on the financial performance and/or financial position of the Company.

#### **7.20 New projects and acquisitions**

The Company has to date, and will continue to actively pursue and assess, other new business opportunities particularly those in the resources sector. These new business

opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, or direct equity participation.

If an acquisition is completed, the Directors will need to reassess, at that time, the funding allocated to current projects and new projects, which may result in the Company reallocating funds from other projects and/or the raising of additional capital (if available).

Furthermore, any new project or business acquisition may change the risk profile of the Company, particularly if the new project is located in another jurisdiction, involves a new commodity and/or changes the Company's capital/funding requirements.

Should the Company propose or complete the acquisition of a new project or business activity, investors should re-assess their investment in the Company in light of the new project/business activity.

#### **7.21 Third party risk**

The Company will rely significantly on strategic relationships with other entities and also on a good relationship with regulatory and government departments and other interest holders. The Company will also rely on third parties to provide essential contracting services. The Company is focused on continuing to build trust with its key stakeholders, which includes landowners, indigenous peoples, local communities and governing organisations. There can however be no assurance that its existing relationships will continue to be maintained or that new ones will be successfully formed. The Company could be adversely affected by changes to such relationships or difficulties in forming new ones.

#### **7.22 Pandemic risk**

Supply chain disruptions resulting from pandemics such as COVID-19 and measures implemented by governments around the world to limit the transmission of such viruses may adversely affect the Company's operations, financial position, prospects, and ability to raise capital. Travel bans may also lead to shortages of skilled personnel. Further outbreaks of COVID-19 or other pandemics and the implementation of travel restrictions may also have the potential to restrict access to site.

#### **7.23 Competition**

The industry in which the Company is involved in 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. Some of these companies will 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. There can be no assurance that the Company can compete effectively with these companies.

#### **7.24 Taxation**

The acquisition and disposal of shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring shares from a taxation point of view and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for shares under the capital raising.

#### **7.25 Securities investments and share market conditions**

There are risks associated with any securities investment. The prices at which the securities trade may fluctuate in response to numerous factors. Furthermore, the stock market, and in particular the market for exploration and mining companies may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of such companies. These factors may materially adversely affect the market

price of the securities of the Company regardless of the Company's operational performance. The Company notes the recent significant market turbulence associated with high global inflation, the COVID-19 pandemic, the Russian invasion of Ukraine and the Israel-Hamas conflicts. Neither the Company nor the Directors warrant the future performance of the Company, or any return of an investment in the Company.

#### **7.26 Force majeure**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company, including fires, labour rest, civil disorder, war, subversive activities or sabotage, floods, pandemics, explosions or other catastrophes, epidemics, or quarantine restrictions.

#### **7.27 Economic risk**

Changes in both Australian and world economic conditions may adversely affect the financial performance of the Company. Factors such as inflation, currency fluctuations, interest rates, industrial disruption and economic growth may impact on future operations and earnings.

#### **7.28 Government and legal risk**

The exploration and mining industry is subject to extensive legislation, regulation and supervision by a number of federal, state, territory and regulatory bodies, including regulations regarding exploration, mining, health and safety, employment, workers' compensation, native title, and heritage and environmental matters, taxes and royalties. Changes in government policy or laws, including additional compliance obligations, may result in delays, additional time commitment and compliance costs. Further changes in tax laws or royalties in Australia may affect the taxation treatment of the holding or disposal of the Company's securities and may adversely affect the financial performance of the Company in the future. Failure to observe all relevant regulations could expose the Company to penalties or require the Company to cease or suspend operations or be subject to increased compliance costs and accordingly may adversely affect the operations, financial position and/or performance of the Company and the market price of its Shares.

Mineral exploration, development and mining activities may be adversely affected by political and economic instability. There can be no guarantee that changes in governments or the laws within Australia will not adversely impact the Company's operations and activities in the future.

#### **7.29 Litigation risk**

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, royalty disputes, other 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 material litigation.

#### **7.30 Global conflict**

The current Ukraine-Russia and Israel-Hamas conflicts are impacting global economies and financial markets. In the short to medium term, the Company's Share price may be adversely affected by the economic uncertainty caused by the conflicts and the wider effect the conflicts have on global economies and financial markets.

#### **7.31 Speculative investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of its shares. The Shares to be issued pursuant to the capital raising carry no guarantee with respect to the payment of dividends, returns of capital, or the market

value of those shares. Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for shares pursuant to the capital raising.



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## 8. Definitions and interpretation

### 8.1 Defined terms

In this Information Booklet, the following definitions apply unless the context otherwise requires:

**AEDT** means Australian Eastern Daylight Time.

**Applicant** means an Eligible Shareholder who has submitted a valid Application.

**Application** means the lodgement of a completed Entitlement and Acceptance Form or, payment of the relevant Application Monies, by an Eligible Shareholder.

**Application Monies** means the aggregate amount payable for the New Shares applied for by an Eligible Shareholder through BPAY® or, if you are based in New Zealand, by direct transfer.

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

**ASX** means ASX Limited (ACN 008 624 691) or, where the context requires, the securities exchange operated by it on which Shares are quoted.

**AWST** means Australian Western Standard Time.

**Closing Date** means the day the Entitlement Offer closes, expected to be 5.00pm (AWST) on 11 December 2023.

**Company** means Caprice Resources Ltd (ACN 624 970 725).

**Corporations Act** means the *Corporations Act 2001* (Cth), as amended.

**Eligible Shareholder** has the meaning given in section 6.1.

**Entitlement** means the right to subscribe for 2 New Shares for every 3 Shares held by an Eligible Shareholder on the Record Date, pursuant to the Entitlement Offer.

**Entitlement and Acceptance Form** means the entitlement and acceptance form accompanying this Information Booklet for Eligible Shareholders.

**Entitlement Offer** means the pro rata non-renounceable offer to Eligible Shareholders to subscribe for 2 New Shares for every 3 Shares held by an Eligible Shareholder on the Record Date, at the Offer Price.

**Group** means the Company and its Related Bodies Corporate, and **Group Member** means any one or more of them.

**Ineligible Shareholder** has the meaning given in section 6.3.

**Information Booklet** means this document.

**Lead Manager Options** has the meaning given in section 6.8(a).

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

**Material Adverse Effect** means:

- (a) a material adverse effect on the outcome of the Entitlement Offer or on the subsequent market for the underwritten Shares (including, without limitation, a material adverse effect on a decision of an investor to invest in underwritten Shares); or

- (b) a material adverse effect on the condition, trading or financial position and performance, profits and losses, results, prospects, business or operations of the Company and its subsidiaries taken as a whole.

**Mineral Resource** means a mineral resource estimate as defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 edition.

**New Shares** means Shares to be allotted and issued under the Entitlement Offer, including the Top-Up Facility as the context requires.

**Offer Price** means \$0.018 per New Share.

**Opening Date** means the day the Entitlement Offer opens, 27 November 2023.

**Ore Reserve** means an ore reserve estimate as defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 edition.

**Placement** means the institutional placement of Shares to sophisticated and professional investors to raise approximately \$315,214 (before costs).

**Public Information** means public and other media statements made by the Company or its representatives on behalf of the Company in relation to the affairs of the Company or the Group including, for the avoidance of doubt, announcements made to ASX.

**Record Date** means 4.00pm (AWST) on 22 November 2023.

**Related Bodies Corporate** has the meaning set out in section 50 of the Corporations Act.

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

**Share Registry** means Automic Pty Ltd (ACN 152 260 814), trading as Automic Group.

**Shareholder** means a holder of Shares.

**Shortfall Shares** means New Shares for which Applications have not been received or accepted by the Closing Date.

**Top-Up Facility** means the offer to Eligible Shareholders to subscribe for New Shares (in excess of their Entitlements) that have not been subscribed for by other Eligible Shareholders pursuant to the Entitlement Offer, as described in sections 2.2 and 2.3.

**Underwriter** means CPS Capital Group Pty Ltd (ACN 088 055 636) (AFSL 294848).

**Underwriting Agreement** means the underwriting agreement between the Underwriter and the Company as set out in section 6.8.

## 8.2 Interpretation

In this Information Booklet, the following rules of interpretation apply unless the context otherwise requires:

- (a) the singular includes the plural and the plural includes the singular;
- (b) other parts of speech and grammatical forms of a word or phrase defined in this Information Booklet have a corresponding meaning;
- (c) a reference to a section or a paragraph is a reference to a section or a paragraph of this Information Booklet;
- (d) a reference to “dollars” or “\$” is to Australian currency;
- (e) a reference to a time of day is a reference to Australian Western Standard Time (unless stated otherwise); and

- (f) words and phrases not specifically defined in this Information Booklet have the meaning given to them in the Corporations Act and a reference to a statutory provision is to the Corporations Act unless otherwise specified.