



Underwritten Renounceable Entitlement Offer to advance portfolio of lithium, copper and gold projects in WA

- **Renounceable Entitlement Issue on the basis of one (1) new Share for every two (2) Shares held at \$0.03 per share to raise ~\$1.53 million (before expenses).**
- **Attractively priced at a 30% discount to the 30-day VWAP of \$0.043 and a 60% discount to the 90-day VWAP of \$0.075.**
- **Every two (2) Shares subscribed under the Offer will be issued with one (1) free Option (proposed to be listed), exercisable at \$0.075 each on/before 20 November 2025.**
- **Entitlement Issue partially underwritten to \$750,000 by Lead Manager and Underwriter Mahe Capital Pty Ltd.**
- **Shareholders can trade their rights, commencing 25 October 2023, and can apply for additional shares and options.**
- **Offer strongly supported by Board of Directors - commitment to subscribe for entitlements for a total of \$105,000.**
- **Proceeds will primarily be used to advance exploration programmes and test priority lithium and copper drill targets at the Company's Forrestania and Eastern Goldfields projects in Western Australia.**

Forrestania Resources Limited (ASX:FRS) (**Forrestania** or the **Company**), is undertaking a renounceable entitlement issue to eligible shareholders on the basis of one (1) new fully paid ordinary share (**Share**) for every two (2) Shares held on the record date, at \$0.03 per Share, together with one (1) free attaching option (proposed to be listed) (**Option**) for every two (2) Shares subscribed for and issued with an exercise price of \$0.075 each on/or before 20 November 2025 to raise up to ~\$1.53 million (before expenses) (**Entitlement Issue** or **Offer**).

Managing Director, Michael Anderson, commented:

"The team has continued our systematic exploration of the Forrestania Project delivering a number of positive outcomes including drilling ore grade lithium mineralisation and visible spodumene at both the Giant and South Iron Cap East projects and locating stacked pegmatite systems at Calypso in proximity to known mineralisation. Given we are on the doorstep of the world-class Mt Holland lithium deposit, and significant gold and nickel mines, we remain confident that we are doing the right things in the right areas, and there is plenty more still to do as we aim to unlock the discovery potential in this highly prospective belt. In addition, since expanding the footprint of the Eastern Goldfields Project, we have generated numerous new targets for both lithium and copper that these funds will allow us to drill. As always, we intend to be proactive and focused in undertaking our work across the portfolio on these priority targets and shareholders can expect further significant news flow in the coming months".

Offer Details

The Offer is for one (1) new Share for every two (2) Shares held on the record date, at \$0.03 per Share, to raise up to ~\$1.53 million (before expenses). Shareholders will receive one (1) free Option for every two (2) Shares subscribed and issued. Each Option will have an exercise price of \$0.075 each with an expiry date of 20 November 2025. The Company will apply for quotation of the Options, subject to approval by ASX.

The issue price of \$0.03 per Share is a 30% discount to the 30-day VWAP of \$0.043 per share and a 60% discount to the 90-day VWAP of \$0.075.

Eligible Shareholders may also apply (in excess of their Entitlement) for new Shares and Options not subscribed for by other Eligible Shareholders (**Shortfall Offer**), on the same terms as the Entitlement Offer.

The Directors of Forrestania have indicated that they will be supporting the Offer to the following amounts:

Director	Amount	Shares	Options
Michael Anderson	\$25,813	860,422	430,211
David Izzard	\$20,000	833,333	333,333
John Hannaford	\$50,000	1,667,667	833,333
William Higgins	\$10,000	333,333	166,667

Mahe Capital Pty Ltd (ACN 634 087 684) (AFSL 517246) has been appointed as Lead Manager and Underwriter to the Offer.

The Offer is available to all shareholders registered at 5.00pm (Perth time) on 26 October 2023 (**Record Date**) whose registered address is in Australia or New Zealand (**Eligible Shareholders**). The Entitlement Offer will close at 5.00pm (Perth time) on 10 November 2023 (unless extended).

The Company will lodge a prospectus with ASIC today, Monday 23 October 2023 which will contain all relevant details of the Offer (**Prospectus**).

Use of proceeds

Proceeds from the Offer will primarily be used to advance exploration at the Company's WA Projects (Forrestania and Eastern Goldfields) with remaining proceeds used for general working capital purposes and to meet the fees and expenses of the offer.

Proceeds of the Entitlement Offer	Minimum Subscription (\$)	%	Maximum Subscription (\$)	%
Exploration in Western Australia	\$480,000	64%	\$1,000,000	65%
Working capital	\$178,092	24%	\$442,616	29%
Lead Manager/Underwriter Fees	\$37,500	5%	\$37,500	2%
Expenses of the Offer	\$54,408	7%	\$54,408	4%
Total	\$750,000	100%	\$1,534,524	100%

Indicative details of planned exploration are as follows;

- **Forrestania Project** - Lithium focused programmes including flora & heritage surveys, mapping, in fill soil sampling and RC drilling ~**\$300,000**
- **Eastern Goldfields Project** – Lithium focused programmes including heritage surveys, mapping, soil sampling and RC drilling ~**\$300,000**
- **Eastern Goldfields Project** – Copper focused programme including heritage survey, mapping, in fill soil sampling, RC drilling and geophysics ~**\$350,000**
- **Southern Cross Project** - Lithium focused programme including mapping, soil sampling and augur drilling ~**\$50,000**

Effect on Capital Structure

Shares	
Shares currently on issue ²	102,301,604
New Shares to be issued under the Entitlement Offer ²	51,150,802
New Shares issued under the Lead Manager Offer	2,511,508
Shares on issue post-Offer	155,963,914

Notes:

1. Assuming the Maximum Subscription of \$1,534,524 is achieved under the Entitlement Offer.

Options	
Options currently on issue	
Listed Options exercisable at \$0.30 on or before 29 November 2024	34,524,318
Listed Options exercisable at \$0.15 on or before 30 June 2026	29,651,521
Unlisted Options exercisable at \$0.30 on or before 27 June 2025	12,000,000
Unlisted Options exercisable at \$0.30 on or before 17 August 2025	500,000
Unlisted Options exercisable at \$0.30 on or before 20 September 2025	5,750,000
Unlisted Options exercisable at \$0.60 on or before 14 February 2025	1,500,000
Unlisted Options exercisable at \$0.65 on or before 14 August 2025	750,000
New Options to be issued under the Entitlement Offer ²	25,575,401
New Options to be issued under the Lead Manager Offer ²	1,534,524
Options on issue post-Offer	111,785,764

Notes:

1. Assuming the Maximum Subscription of \$1,534,524 is achieved under the Entitlement Offer.
2. Assuming no options are exercised prior to the Record Date.

Timetable

The following indicative timetable has been prepared for Offer. The timetable is subject to change at the Company's discretion and subject to compliance with applicable laws and ASX Listing Rules.

Lodgement of Prospectus with the ASIC	Monday, 23 October 2023
Lodgement of Prospectus and Appendix 3B with ASX	Monday, 23 October 2023
Ex date	Wednesday, 25 October 2023
Rights start trading	Wednesday, 25 October 2023
Record Date for determining Entitlements	Thursday, 26 October 2023
Offer opening date, Prospectus sent out to Shareholders and Company announces this has been completed	Monday, 30 October 2023
Rights stop trading	Friday, 3 November 2023
Securities quoted on a deferred settlement basis	Monday, 6 November 2023
Last day to extend the Closing Date (before noon Sydney time)	Tuesday, 7 November 2023
Closing Date as at 5:00pm*	Friday, 10 November 2023
Announcement of results of issue and Underwriter notified of under subscriptions	Tuesday, 14 November 2023
Underwriter subscribes for Shortfall under terms of Underwriting Agreement	Friday, 17 November 2023
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Securities (before noon Sydney time)	Friday, 17 November 2023
Quotation of Securities issued under the Offer	Monday, 20 November 2023

*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. Accordingly, the date the Securities are expected to commence trading on ASX may vary.

Authorised for release by the Board of Forrestania Resources Limited

End

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About Forrestania Resources Limited

Forrestania Resources Limited is an exploration Company searching for lithium, gold, and nickel in the Forrestania, Southern Cross and Eastern Goldfields regions of Western Australia. The company is also exploring for lithium in the James Bay region of Quebec, Canada.

The Forrestania Project is prospective for lithium, gold and nickel. The Southern Cross Project is prospective for gold and lithium and the Eastern Goldfields project is prospective for gold, lithium, rare earth elements and copper.

The flagship Forrestania Project is situated in the well-endowed southern Forrestania Greenstone Belt, with a tenement footprint spanning approximately 100km, north to south of variously metamorphosed mafic, ultramafic / volcano-sedimentary rocks, host to the Mt Holland lithium mine (189mT @ 1.5% Li₂O), the historic 1Moz Bounty gold deposit and the operating Flying Fox, and Spotted Quoll nickel mines.

The Southern Cross Project tenements are scattered, within proximity to the town of Southern Cross and located in and around the Southern Cross Greenstone Belt. It is the Company's opinion that the potential for economic gold mineralisation at the Southern Cross Project has not been fully evaluated. In addition to greenstone shear-hosted gold deposits and lithium bearing pegmatites, Forrestania is targeting granite-hosted gold deposits. New geological models for late Archean granite-controlled shear zone/fault hosted mineralisation theorise that gold forming fluids, formed at deep crustal levels do not discriminate between lithologies when emplaced in the upper crust. Applying this theory, Forrestania has defined multiple new targets.

The Eastern Goldfields tenements are located within the Norseman-Wiluna Greenstone Belt of the Yilgarn Craton. The Project includes ten Exploration Licences and eight Exploration Licence Applications, covering a total of ~1,800km². The tenements are predominately non-contiguous and scattered over 300km length, overlying or on the margins of greenstone belts. The southernmost tenement is located approximately 15km north of Coolgardie, and the northernmost tenement is located approximately 70km northeast of Leonora. Prior exploration over the project area has focused on gold, copper, diamonds, and uranium. Tenements in the Project area have been variably subjected to soil sampling, stream sampling, drilling, mapping, rock chip sampling and geophysical surveys.

Forrestania Resources also holds a 50% interest in the Hydra Lithium Project (HLP) located in northern Quebec, Canada. ALX Resources (TSXV: AL; FSE: 6LLN; OTC: ALXEF) holds the other 50%. The HLP comprises eight sub-projects totalling ~293km² within the world-class lithium exploration district of James Bay. These sub-projects strategically overlie or are positioned on the margins of highly prospective greenstone belts and are proximal to existing, significant lithium projects and deposits.

The Company has an experienced Board and management team which is focused on exploring, collaborating, and acquiring to increase value for Shareholders.

Disclosure

The information in this announcement is based on the following publicly available ASX announcements and Forrestania Resources IPO, which is available from <https://www2.asx.com.au/>

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original ASX announcements and that all material assumptions and technical parameters underpinning the relevant ASX announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are represented have not been materially modified from the original ASX announcements.

Cautionary Statement Regarding Values & Forward-Looking Information

The figures, valuations, forecasts, estimates, opinions and projections contained herein involve elements of subjective judgment and analysis and assumption. Forrestania Resources does not accept any liability in relation to any such matters, or to inform the Recipient of any matter arising or coming to the company's notice after the date of this document which may affect any matter referred to herein. Any opinions expressed in this material are subject to change without notice, including as a result of using different assumptions and criteria. This document may contain forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "expect", and "intend" and statements that an event or result "may", "will", "should", "could", or "might" occur or be achieved and other similar expressions. Forward-looking information is subject to business, legal and economic risks and uncertainties and other factors that could cause actual results to differ materially from those contained in forward-looking statements. Such factors include, among other things, risks relating to property interests, the global economic climate, commodity prices, sovereign and legal risks, and environmental risks. Forward-looking statements are based upon estimates and opinions at the date the statements are made. Forrestania Resources undertakes no obligation to update these forward-looking statements for events or circumstances that occur subsequent to such dates or to update or keep current any of the information contained herein. The Recipient should not place undue reliance upon forward-looking statements. Any estimates or projections as to events that may occur in the future (including projections of revenue, expense, net income and performance) are based upon the best judgment of Forrestania Resources from information available as of the date of this document. There is no guarantee that any of these estimates or projections will be achieved. Actual results will vary from the projections and such variations may be material. Nothing contained herein is, or shall be relied upon as, a promise or representation as to the past or future. Forrestania Resources, its affiliates, directors, employees and/or agents expressly disclaim any and all liability relating or resulting from the use of all or any part of this document or any of the information contained herein.