

HYTERRA LIMITED
ACN 116 829 675

ENTITLEMENT ISSUE PROSPECTUS

For a pro-rata non-renounceable rights issue of four (4) Shares for every nine (9) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.018 per Share to raise up to \$5,242,423 (based on the number of Shares on issue as at the date of this Prospectus) (**Entitlement Offer**).

The Prospectus also contains the Options Offer described in Section 3.2.

This Entitlement Offer is fully underwritten by RM Corporate Finance Pty Ltd (AFSL 315235). Refer to Section 7.4.2 for details regarding the terms of the underwriting.

IMPORTANT NOTICE

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

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

IMPORTANT NOTICE

This Prospectus is dated 8 April 2024 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

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

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

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

Applications for Securities offered pursuant to this Prospectus can only be made by an original Entitlement and Acceptance Form or Shortfall Application Form.

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

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

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular

needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Forward-looking statements

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

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

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

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

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

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6.

Overseas shareholders

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

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

For further information on overseas Shareholders please refer to Section 3.10.

Continuous disclosure obligations

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

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

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

Please refer to Section 7.2 for further details.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.hyterra.com.

If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian or New Zealand resident or resident of Greece, Malaysia or the United Kingdom and must only access this Prospectus from within Australia or New Zealand.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 8 6478 7730 during office hours or by emailing the Company at info@hyterra.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

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

Financial forecasts

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

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

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

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder

Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

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

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 9.

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

Privacy statement

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

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

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

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

Enquiries

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

in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offers please call the Company Secretary on +61 8 6478 7730.

CORPORATE DIRECTORY

Directors

Mr Avon McIntyre
*Executive Director and
Chief Technical Officer*

Mr Benjamin Mee
Executive Director

Mr Russell Brimage
Non-Executive Chairman

Company Secretary

Ms Hannah Cabatit

Registered Office

Unit 9
335 Hay Street
SUBIACO WA 6008

Telephone: + 61 8 6478 7730

Facsimile: +61 8 6478 7739

Email: info@hyterra.com

Website: www.hyterra.com

Auditor

HLB Mann Judd (WA Partnership)
Level 4
130 Stirling Street
PERTH WA 6000

Share Registry*

Automic Pty Ltd
Level 5
126 Phillip Street
SYDNEY NSW 2001

Telephone: +61 2 9698 5414

Legal Advisers

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

Lead Manager and Underwriter

RM Corporate Finance Pty Ltd
PO Box 154
WEST PERTH WA 6872

*This entity is included for information purposes only. This entity has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

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1. KEY OFFER INFORMATION

1.1 Timetable

Announcement of Offer & Appendix 3B	Thursday, 28 March 2024
Lodgement of Prospectus with the ASIC and ASX	Monday, 8 April 2024
Ex date	Thursday, 11 April 2024
Record Date for determining Entitlements	Friday, 12 April 2024
Offer opening date, Prospectus sent out to Shareholders and Company announces this has been completed	Wednesday, 17 April 2024
Last day to extend the Closing Date	Tuesday, 23 April 2024
Closing Date as at 5:00pm*	Monday, 29 April 2024
Securities quoted on a deferred settlement basis	Tuesday, 30 April 2024
Announcement of results of issue	Monday, 6 May 2024
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the securities (before noon Sydney time)	Monday, 6 May 2024

*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 Shares are expected to commence trading on ASX may vary.

2. BACKGROUND TO PLACEMENT AND OFFERS

As announced on 28 March 2024, the Company is proposing to undertake a capital raising, comprising a share placement and entitlement issue to raise approximately \$6 million, to fund the Company's activities along the Nemaha Ridge in Kansas, USA.

Further details with respect to the capital raising is set out below.

2.1 Placement

The Company received firm commitments from existing and new institutional, professional and sophisticated investors (**Placement Participants**) to raise a total of \$878,400 (before costs) through the issue of a total of 48,800,000 Shares at an issue price of \$0.018 per Share (**Placement Shares**) (**Placement**).

The Company issued the Placement Shares on 8 April 2024, pursuant to the Company's available placement capacity under ASX Listing Rule 7.1 (38,529,712 Placement Shares) and 7.1A (10,270,288 Placement Shares).

The Placement Shares have been issued before the Record Date for the Entitlement Offer and accordingly, the Placement Participants are eligible to participate in the Entitlement Offer in relation to the Placement Shares.

2.2 Entitlement Offer

The Entitlement Offer is being made as a pro-rata non-renounceable rights issue of four (4) Share for every nine (9) Shares held by Shareholders registered at the Record Date at an issue price of \$0.018 per Share, to raise \$5,242,423 (before costs).

Fractional entitlements will be rounded up to the nearest whole number.

2.3 Options Offer

The Entitlement Offer is fully underwritten by RM Corporate Finance Pty Ltd (AFSL 315235) (**RM** or **Underwriter**). The Underwriter is presently not a Shareholder and is not a related party of the Company for the purposes of the Corporations Act. Refer to Section 7.4.2 for details of the terms of the underwriting.

The Underwriter has also been appointed as the lead manager of the Placement and the Entitlement Offer. The terms of the lead manager appointment and total fees payable to RM as lead manager are set out in Section 7.4.1.

As part of the fees payable to RM, the Company has agreed, subject to Shareholder approval, to issue an aggregate of a total of 96,000,000 Options at an exercise price of \$0.04 each, expiring on or before 30 November 2027 (**New Options**). RM may also nominate other third parties to be issued the New Options.

The New Options comprise 24,000,000 New Options issued pursuant to the Lead Manager Mandate and 72,000,000 New Options issued pursuant to the Underwriting Agreement. Refer to Section 7.4.1 and 7.4.2 for further details with respect to the Lead Manager Mandate and Underwriting Agreement respectively.

The New Options will be issued pursuant to this Prospectus, on the terms and conditions set out in Section 4.2 (**Options Offer**).

2.4 Sub-underwriting by Mr Mee

Director, Mr Benjamin (Ben) Mee has been appointed pursuant to the Sub-Underwriting Agreement to subscribe for \$120,000 (being 6,666,666 Shares) in the Offer. Mr Mee currently holds no Shares in the Company.

Refer to Section 7.4.3 for details of the terms of the Sub-Underwriting Agreement.

Pursuant to the terms of the Sub-Underwriting Agreement, Mr Mee will receive a 4% sub-underwriting fee on the amount sub-underwritten by him (\$4,800), and (subject to Shareholder approval) 600,000 New Options (**Mee Options**). The Mee Options will be offered under the Options Offer.

2.5 Key statistics and effects of the Offer

Shares

	Full Subscription (\$5,242,423) ¹
Entitlement Offer price per Share	\$0.018
Entitlement Ratio (based on existing Shares) ²	4:9
Shares currently on issue	606,502,882
Shares issued under the Placement ^{3,4}	48,800,000
Shares to be issued to RM ⁴	1,666,666 ⁵
Shares to be issued under the Entitlement Offer ^{6,7}	291,245,725
Shares on issue after completion of the Offers	948,215,273

Notes:

1. Assuming the Full Subscription of \$5,242,423 is achieved under the Entitlement Offer.
2. Ratio of four (4) Shares for every nine (9) Shares held by Eligible Shareholders as at the Record Date.
3. The Placement Shares were issued on 8 April 2024 and the Placement raised a further \$878,400 (before costs).
4. The issue of these Shares is subject to shareholder approval, which the Company intends to seek at its Annual General Meeting to be held in May 2024. Refer to Section 7.4.1 for details of the terms of the Company's engagement of RM as the lead manager of the Entitlement Offer and Placement.
5. This does not include the Retainer Fee Shares that the Company has, subject to shareholder approval, agreed to issue RM under the terms of the Lead Manager Mandate. Refer to Section 7.4.1 for details of the terms of the Company's engagement of RM as the lead manager of the Entitlement Offer and Placement.
6. Refer to Section 5.1 for the terms of the Shares.
7. Based on fractional Entitlements being rounded up to the nearest whole number.

Options

	Full Subscription (\$5,242,423) ¹
Options currently on issue	326,033,334
Options issued under the Placement	Nil
Options to be issued under the Entitlement Offer	Nil
Options to be issued under Options Offer (subject to Shareholder approval)	96,000,000
Options on issue after completion of the Offers	422,033,334

The Offers will have no effect on the 44,000,000 Performance Rights that are on issue.

2.6 Key Risk Factors

Prospective investors should be aware that subscribing for Securities involves a number of risks and an investment in the Company should be considered as highly speculative. The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are set out in Section 5 of this Prospectus.

2.7 Directors' Interests in Securities

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

Director	Shares	Options	Performance Rights	Share Entitlement	\$
Benjamin Mee	Nil	25,000,000 ¹	Nil	Nil	Nil
Avon McIntyre ³	6,750,000	12,000,000 ⁴	16,000,000 ⁵	3,000,000	\$54,000
Russell Brimage	19,900,000 ⁶	25,900,000 ⁷	8,000,000 ⁸	8,844,444	\$159,200

Notes:

1. Comprising 5,000,000 Class A Zero Exercise Price Options (**ZEPOs**), expiring 30 May 2028 and 5,000,000 of Class B ZEPOs, 5,000,000 Class C ZEPOs, 5,000,000 Class D ZEPOs and 5,000,000 Class E ZEPOs expiring 31 October 2026. Held indirectly via Mee Family Holdings Pty Ltd (of which Mr Mee is a beneficiary).
2. Comprising of Class A and Class B Performance Rights.
3. All securities are held directly by Mr McIntyre.
4. Comprising 4,000,000 of Class B, C and D ZEPOs, expiring 31 October 2026.
5. Comprising 4,000,000 Class A Tranche 1 Performance Rights, 4,000,000 Class A Tranche 2 Performance Rights and 4,000,000 Class B Performance Rights.
6. Held indirectly via Pouvoir Pty Ltd (of which Mr Brimage is a beneficiary).
7. Comprising:
 - (a) 19,900,000 Options Exercisable at \$0.025 expiring on 30 June 2025; and

- (b) 2,000,000 Class B ZEPOs, 2,000,000 Class C ZEPOs and 2,000,000 Class D ZEPOs, expiring 31 October 2026.
8. Comprising 2,000,000 Class A Tranche 1 Performance Rights, 2,000,000 Class A Tranche 2 Performance Rights and 4,000,000 Class B Performance Rights.

The Board recommends all Shareholders take up their Entitlements. The Directors reserve the right to take up their respective Entitlement in whole or in part at their discretion.

The above table does not take into consideration the Sub-Underwriting Agreement with Director, Mr Ben Mee, pursuant to which Mr Mee has agreed to sub-underwrite the Entitlement Offer up to up to a value of \$120,000 (being 6,666,666 Shares). For further information with respect to Mr Mee's sub-underwriting agreement, refer to Section 7.4.3.

2.8 Substantial shareholders

Based on publicly available information as at the date of this Prospectus, there are no persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue.

2.9 Effect on Control

The Underwriter is presently not a Shareholder and is not a related party of the Company for the purposes of the Corporations Act. The issue of Shares under this Prospectus to the Underwriter may increase its interest in the Company and dilute the Shareholding of other Shareholders to the extent they elect not to participate in the Entitlement Offer or are ineligible to participate in the Entitlement Offer.

The Underwriter may enter into sub-underwriting agreements in respect of the Entitlement Offer with various sub-underwriters (**Sub-Underwriters**) (including Director, Mr Ben Mee who has been appointed pursuant to the Sub-Underwriting Agreement to take up the Shortfall Securities).

No Sub-Underwriter will increase their shareholding to above 19.99% as a direct result of the issue of Securities under the Entitlement Offer. Where Shares are issued pursuant to the exercise of the New Options, the voting power of the Sub-Underwriters who exercise their New Options will increase. The likelihood of New Options being exercised is dependent on the price of Shares from time to time until the New Options expire.

In accordance with the terms of the Underwriting Agreement, the Underwriter will allocate the Shortfall to its Sub-Underwriters and/or clients and people who have otherwise agreed to assist with the completion of the Entitlement Offer such that neither the Underwriter, the Sub-Underwriters nor any of the Underwriter's clients, individually, will have a voting power in the Company in excess of 19.9% after the issue of the Shortfall.

The Company, in consultation with the Underwriter, will ensure that the Entitlement Offer (including the equitable dispersion of any Shortfall Securities) complies with the provisions of Chapter 6 of the Corporations Act and is otherwise consistent with the policy guidelines contained in ASIC Regulatory Guide 6 and Takeovers Panel Guidance Note 17.

2.10 Potential dilution on non-participating Shareholders

In addition to potential control impacts set out in Section 1.8, Shareholders should note that if they do not participate in the Entitlement Offer, their holdings are likely to be diluted by approximately 30.77% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).

For illustrative purposes, the table below shows how the dilution may impact the holdings of Shareholders:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Entitlement Offer	Holdings if Entitlement Offer not taken Up	% post Entitlement Offer
Shareholder 1	10,000,000	1.53%	4,444,444	10,000,000	1.06%
Shareholder 2	5,000,000	0.76%	2,222,222	5,000,000	0.53%
Shareholder 3	1,500,000	0.23%	666,667	1,500,000	0.16%
Shareholder 4	400,000	0.06%	177,778	400,000	0.04%
Shareholder 5	50,000	0.01%	22,222	50,000	0.01%

Notes:

1. Assumes Full Subscription is achieved and the issue of Placement Shares occurs prior to the Record Date.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Underwriting and Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

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3. DETAILS OF THE OFFERS

3.1 Entitlement Offer

The Entitlement Offer is being made as a pro-rata non-renounceable rights issue of four (4) Shares for every nine (9) Shares held by Shareholders registered at the Record Date at an issue price of \$0.018 per Share. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no Shares are issued prior to the Record Date including on exercise or conversion of securities on issue) approximately 291,245,725 Shares may be issued under the Entitlement Offer to raise up to approximately \$5,242,423.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 5.1 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the Entitlement Offer and the intended use of funds raised are set out in Section 4.

3.2 Options Offer

The Options Offer is an offer of 96,000,000 New Options to RM (or its nominees) (**Options Offer**). No funds will be raised from the Options Offer as the New Options are being issued for nil cash consideration, as part consideration for underwriting services provided by RM in respect of the Entitlement Offer, and lead manager services provided RM in respect of the Placement.

The New Options comprise 24,000,000 New Options issued pursuant to the Lead Manager Mandate and 72,000,000 New Options issued pursuant to the Underwriting Agreement. Refer to Section 7.4.1 and 7.4.2 for further details with respect to the Lead Manager Mandate and Underwriting Agreement respectively.

The New Options offered under the Options Offer pursuant to this Prospectus will be exercisable at \$0.04 each on or before 30 November 2027 and otherwise on the terms set out in Section 5.2.

All Shares issued upon exercise of the New Options will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 5.1 for further information regarding the rights and liabilities attaching to the Shares.

The Company will not apply for Official Quotation of the New Options offered pursuant to the Options Offer.

This Prospectus contains the Options Offer for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of the New Options (and any Shares issued on exercise of the New Options) issued by the Company.

Only RM (or its nominee/s) may accept the Options Offer. A personalised application form in relation to the Options Offer will be issued to RM (or its nominee/s) together with a copy of this Prospectus.

Among RM's nominees will be Director Mr Mee, who has agreed to sub-underwrite the Entitlement Offer for up to the value of \$120,000 (being 6,666,666 Shares). More information with respect to Mr Mee's sub-underwriting commitment is set out in Section 7.4.3.

3.3 What Eligible Shareholders may do

The number of Securities to which Eligible Shareholders are entitled is shown on the personalised Entitlement and Acceptance Form which accompanies this Prospectus and can be accessed at <https://investor.automic.com.au/#/home> Eligible Shareholders may choose any of the options set out in the table below.

Option	Key Considerations	For more information
Take up all of your Entitlement	<ul style="list-style-type: none"> Should you wish to accept all of your Entitlement, then your application for Securities under this Prospectus must be made by following the instructions on the personalised Entitlement and Acceptance Form which accompanies this Prospectus and can be accessed at the Company's website www.hyterra.com. Please read the instructions carefully. Payment can be made by the methods set out in Section 3.4. As set out in Section 3.4, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form. 	Section 3.4 and Section 3.5.
Take up all of your Entitlement and also apply for Shortfall Securities	<ul style="list-style-type: none"> Should you wish to accept all of your Entitlement and apply for Shortfall Securities, then your application for your Entitlement and additional Shortfall Securities under this Prospectus must be made by following the instructions on your personalised Entitlement and Acceptance Form which accompanies this Prospectus and can be accessed at the Company's website https://investor.automic.com.au/#/home. Please read the instructions carefully. Payment can be made by the methods set out in Section 3.4. Payment should be made for your Entitlement and the amount of the Shortfall for which you are applying. If you apply for Shortfall 	Sections 3.4, 3.5 and 3.7.

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Option	Key Considerations	For more information
	<p>Securities beyond your Entitlement you are deemed to have accepted your Entitlement in full. You should note that the allocation of Shortfall Securities will be as per the allocation policy set out in Section 3.7. Accordingly, your application for additional Shortfall Securities may be scaled-back.</p> <ul style="list-style-type: none"> The Company's decision on the number of Shortfall Securities to be allocated to you will be final. 	
<p>Take up a proportion of your Entitlement and allow the balance to lapse</p>	<p>If you wish to take up only part of your Entitlement and allow the balance to lapse:</p> <ul style="list-style-type: none"> calculate the payment amount for the portion of your Entitlement that you wish to take up in accordance with the personalised Entitlement and Acceptance Form which accompanies this Prospectus and can be accessed at the Company's website https://investor.automic.com.au/#/home; and make payment by BPAY® or EFT for that portion of your Entitlement by following the instructions on the Entitlement and Acceptance Form. <p>As set out in Section 3.4, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form.</p>	<p>Section 3.4 and Section 3.5</p>
<p>Allow all or part of your Entitlement to lapse</p>	<p>If you do not wish to accept any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement by the Closing Date, the Entitlement Offer to you will lapse.</p>	<p>N/A</p>

The Entitlement Offer is non-renounceable. Accordingly, an Eligible Shareholder may not sell or transfer all or part of their Entitlement.

3.4 Payment options

(a) By BPAY®

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

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. **It is your responsibility to ensure that funds submitted through BPAY® are received by 5:00pm (WST) on the Closing Date. The Company shall not be responsible for any delay in the receipt of the BPAY® payment.**

Guidance where you have more than one BPAY® reference number (Shareholding of Shares)

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the BPAY® reference number specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. **Do not use the same BPAY® reference number for more than one of your Shareholdings.** This can result in your Application monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any Application in respect of your remaining Shareholdings will not be valid).

(b) By Electronic Funds Transfer (overseas applicants)

For payment by Electronic Funds Transfer (**EFT**) for overseas Eligible Shareholders, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via EFT if you are the holder of an account that supports EFT transactions to an Australian bank account. Please note that should you choose to pay by EFT:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;

- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

3.5 Implications of an acceptance

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

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

3.6 Minimum subscription

There is no minimum subscription to the Offers.

3.7 Shortfall Offer

Any Entitlement not taken up pursuant to the Entitlement Offer will form the Shortfall Offer. (**Shortfall Securities**). The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.018, being the price at which Shares have been offered under the Entitlement Offer.

If you do not wish to take up any part of your Entitlement, you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer and potentially be allocated to other Eligible Shareholders or other third parties as part of the Shortfall Offer. The Shortfall Offer will only be available where there is a Shortfall between applications received from Eligible Shareholders and the number of Shares proposed to be issued under the Entitlement Offer.

Eligible Shareholders who wish to subscribe for Securities above their Entitlement are invited to apply for Shortfall Securities under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shortfall Securities in accordance with Section 3.4

Allocation of the Shortfall Shares will be at the discretion of the Board in conjunction with the Underwriter and will otherwise be subject to the terms of the Underwriting Agreement, details of which are set out in Section 7.4.2. If the Entitlement Offer is oversubscribed (by take up of Entitlements and applications for Shortfall Securities by Eligible Shareholders), scale back will be applied to applications under the Shortfall Offer on a pro-rata basis to the respective shareholdings of Eligible Shareholders. There is no guarantee that Eligible Shareholders will receive Securities applied for under the Shortfall Offer.

The Underwriter notes that no Securities will be issued to an applicant under this Prospectus or via the Shortfall Offer if the issue of Securities would contravene the takeover prohibition in section 606 of the Corporations Act. Similarly, no Securities will be issued via the Shortfall Offer to any related parties of the Company.

3.8 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all Application monies for the Shares within the time prescribed under the Corporations Act, without interest.

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

The Company will not apply for Official Quotation of the New Options offered pursuant to this Prospectus.

3.9 Issue of Securities

Securities issued pursuant to the Offers will be issued in accordance with the ASX Listing Rules and timetable set out at Section 1.

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

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

Holding statements for Securities issued under the Offers will be mailed as soon as practicable after the issue of Securities and for Shortfall Securities issued under the Shortfall Offer as soon as practicable after their issue.

3.10 Overseas shareholders

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

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

(a) **New Zealand**

The Securities are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document 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.

(b) **Greece**

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

In accordance with Article 1(4) of the Prospectus Regulation, an offer of Shares in Greece is limited:

- (i) to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation);
- (ii) to fewer than 150 natural or legal persons (other than qualified investors); or
- (iii) in any other circumstance falling within Article 1(4) of the Prospectus Regulation.

(c) **Malaysia**

No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to the offer of Shares. The Shares may not be offered, sold or issued in Malaysia except to existing shareholders of the Company. Any Shares not taken up under the entitlement offer may not be offered, sold or issued in Malaysia except pursuant to, and to persons prescribed under, pursuant to Part I of Schedule 6 and Schedule 7 of the Malaysian Capital Markets and Services Act 2007.

(d) **United Kingdom**

Neither this document nor any other document relating to the offer of Shares has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the Shares.

The Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to fewer than 150 persons who are existing shareholders of the Company. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

(e) **Nominees and custodians**

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

4. PURPOSE AND EFFECT OF THE OFFERS

4.1 Purpose of the Options Offer

The purpose of the Options Offer is for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of New Options issued by the Company.

Relevantly, section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
 - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
 - (iii) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

4.2 Purpose of the Entitlement Offer

The purpose of the Entitlement Offer is to raise up to \$5,242,423 (before costs).

The funds raised from the Entitlement Offer are intended to be applied in accordance with the table set out below:

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Drilling of exploration wells on Nemaha Project	2,000,000	38
2.	Acquisition and assessment of geophysical data to support leasing and drilling	500,000	9
3.	Leasing of high-priority areas	1,000,000	19
4.	Complete resource evaluations	250,000	5
5.	Commercialisation plans and screening new growth opportunities	250,000	5
6.	Working capital ¹	857,878	17
7.	Expenses of the Entitlement Offer ²	384,545	7
	Total	5,242,423	100

Notes:

1. To the extent that the Company is presented with additional acquisition opportunities, the Company's working capital will fund such further exploration and acquisition costs (including due diligence investigations and expert's fees in relation to such acquisitions).
2. Refer to Section 7.8 for further details relating to the estimated expenses of the Entitlement Offer.

On completion of the Entitlement Offer, the Board believes the Company will have sufficient working capital to achieve its stated objectives. In the event the Entitlement Offer is not fully subscribed, operational objectives are likely to be modified, which may result in delay or substantial changes to the Company's future plans and any stated objectives detailed in this Prospectus.

In addition, it should be noted that the Company's budgets and forecasts will be subject to modification on an ongoing basis depending on the results achieved from its business activities and operations.

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

4.3 Effect of the Offers and the Placement

The principal effect of the Offers and the Placement, assuming all Entitlements are accepted (or taken up under the Underwriting or the Shortfall Offer), and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, will be to:

- (a) increase the cash reserves by \$4,857,878 (after deducting the estimated expenses of the Offers of \$384,545) immediately after completion of the Offers; and
- (b) increase the number of Shares on issue from 655,302,882 (including the Placement Shares) as at the date of this Prospectus to 948,215,273 Shares.

4.4 Effect of Placement and Offers on capital structure

The effect of the Placement and Offers on the capital structure of the Company, assuming all Entitlements are accepted, and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, is set out in Section 2.5.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 1,025,336,216 Shares (including the Placement Shares and the 44,000,000 Performance Rights on issue) and on completion of the Offers (assuming all Entitlements are accepted prior to the Record Date) would be 1,414,248,607 Shares.

4.5 Pro-forma balance sheet

The audited balance sheet as at 31 December 2023 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

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

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

	Audited 31-Dec-23	Proforma Adjustments Placement	Proforma Adjustments Rights Issue	Total Pro Forma After Issue
	\$	\$	\$	\$
Current Assets				
Cash and cash equivalents	793,406	825,696	4,857,878	6,476,980
Trade and other receivables	65,161	-	-	65,161
Total current assets	858,567	825,696	4,857,878	6,542,141
Non-current assets				
Property, plant and equipment	4,646	-	-	4,646
Capitalised exploration and evaluation assets	9,032,372	-	-	9,032,372
Right-of-use assets	6,935	-	-	6,935
Total non-current assets	9,043,953	-	-	9,043,953
Total assets	9,902,520	825,696	4,857,878	15,586,094
Current liabilities				
Trade and other payables	182,667	-	-	182,667
Lease liability	9,173	-	-	9,173
Provisions	39,248	-	-	39,248
Total current liabilities	231,088	-	-	231,088
Total liabilities	231,088	-	-	231,088
Net assets	9,671,432	825,696	4,857,878	15,355,006
Equity				
Contributed equity	47,975,878	678,293	4,385,669	53,039,840
Reserves	3,721,599	147,403	472,209	4,341,211
Accumulated losses	(42,026,045)	-	-	(42,026,045)
Total equity	9,671,432	825,696	4,857,878	15,355,006

Notes:

1. A Placement issuing 48,800,000 fully paid ordinary shares at an issue price of \$0.018 per Share, raising \$878,000 (before costs).
2. Expenses of the Placement of \$52,704.

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3. Issue of 24,000,000 New Options to RM (or its nominees) with the value of \$147,403, in part consideration as Lead Manager for the Placement.
4. A pro-rata non-renounceable entitlement issue of four (4) new Shares for every nine (9) existing Shares held by those Shareholders registered at the Record Date at an issue price of \$0.018 per new Share to raise up to \$5,242,423 (before costs).
5. Expenses of the offer for the Rights Issue of \$384,545.
6. Issue of 1,666,666 Shares at an issue price of \$0.018 (\$30,000) to RM for acting as lead manager to the Entitlement Offer (to be issued following completion of the Entitlement Offer).
7. Issue of 72,000,000 New Options to RM (or its nominees/s), in part consideration for underwriting the Entitlement Offer with a valuation of \$442,209.

5. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

5.1 Rights and liabilities attaching to Shares

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

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

(a) General meetings

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

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

(b) Voting rights

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

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

(c) Dividend rights

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

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

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

(d) **Winding-up**

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

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

(e) **Shareholder liability**

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

(f) **Transfer of shares**

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

(g) **Future increase in capital**

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

(h) **Variation of rights**

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

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

(i) **Alteration of constitution**

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

5.2 **Terms of New Options**

(a) **Entitlement**

Each Option entitles the holder to subscribe for one (1) Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.04 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00pm (WST) on 30 November 2027 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

(g) **Deferral of exercise if resulting in a prohibited acquisition of Shares**

If the exercise of an Option under paragraph (e) would result in any person being in contravention of section 606(1) of the Corporations Act (**General Prohibition**) then the exercise of that Option shall be deferred until such later time or times that the exercise would not result in a contravention of the General Prohibition. In assessing whether the exercise of an Option would result in a contravention of the General Prohibition:

- (i) holders may give written notification to the Company if they consider that the exercise of an Option may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of an Option will not result in any person being in contravention of the General Prohibition; and
- (ii) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph (g) within seven days if the Company considers that the exercise of an Option may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the exercise of an Option will not result in any person being in contravention of the General Prohibition.

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

Subject to paragraph (g), within 5 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) unless the issued Shares can be offered for sale without disclosure to investors and without the issue of a notice that complies with section 708A(5)(e) of the Corporations Act, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (h)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(i) **Shares issued on exercise**

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

(j) **Reconstruction of capital**

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

(k) **Participation in new issues**

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

(l) **Change in exercise price**

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

(m) **Transferability**

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

6. RISK FACTORS

6.1 Introduction

The Shares offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 5, together with all other information contained in this Prospectus.

The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 5, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares. This Section 5 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 5 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

6.2 Company specific

Risk Category	Risk
Hydrogen exploration and evaluation risk	<p>The future value of the Company may depend on its ability to find and develop natural hydrogen resources that are economically recoverable within the Company's existing and future projects.</p> <p>Natural hydrogen exploration is an emerging area of the natural resources industry and knowledge and understanding of the geological processes behind its occurrence is limited. There is a risk that exploration activities conducted on the projects will not result in the discovery of hydrogen, and indications of hydrogen observed during such exploration activities may not result in the presence or absence of natural hydrogen at that location.</p> <p>The circumstances in which a discovered hydrogen resource becomes or remains commercially viable depends on a number of factors. These include the particular attributes of the resource, such as size, depth, concentration, composition, development cost and proximity to infrastructure as well as key external factors such as hydrogen supply and demand.</p> <p>Hydrogen exploration, production and development involves activities and operations which may not generate a positive</p>

Risk Category	Risk
	<p>return on investment. This may arise from, but is not limited to; dry wells, and / or wells that are productive but do not produce sufficient revenues to return a profit after accounting for drilling, operating and other associated costs. The outcome of any exploration program may be dependent on matters which include the host rock composition, the permeability of the host rock, the flow rate and the rate of any decrease in pressure as the gas flows to the surface. These matters cannot be known until the Company undertakes drilling and testing programs. The production from successful wells may also be impacted by various operating conditions, including insufficient storage or transportation capacity, or other geological and mechanical conditions. In addition, managing drilling hazards or environmental damage and pollution caused by exploration and development operations could greatly increase the associated cost and profitability of individual wells.</p>
<p>Geological, technological, and operational risk on leases held</p>	<p>The leases of the Company, as it progresses through exploration, appraisal, development and possible production activities, may be adversely affected by a range of geological, technological and operational factors, including: (i) geological and reservoir conditions; (ii) limitations on activities due to seasonal or adverse weather patterns; (iii) alterations to program and budgets; (iv) unanticipated operational and technical difficulties encountered in geophysical surveys, drilling and production activities; (v) mechanical failure of operating plant and equipment, industrial and environmental accidents, acts of terrorism or political or civil unrest and other force majeure events; (vi) industrial action, disputation or disruptions; (vii) unavailability of transport or drilling equipment to allow access and geological and geophysical investigations; (viii) shortages or unavailability of manpower or appropriately skilled manpower; (ix) unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment (noting that the Company's exploration and development activities are dependent on the availability of drilling rigs and related equipment in the area of its leases); (x) prevention or restriction of access by reason of inability to obtain consents or approvals; or (xi) loss of or damage to private property, personal injury or death, or environmental damage; or (xii) landholder issues.</p> <p>Hydrogen is a highly reactive gas and can combine with most other elements. Consequently, there is a risk that, under certain conditions, a chemical reaction may take place between hydrogen and other elements or compounds which may naturally occur on the projects to form other gases and / or liquids (including methane and / or water), which may have an adverse effect on the value of the resource derived from the projects.</p> <p>The historic drilling results referred to by the Company regarding hydrogen and helium gas occurrences have been obtained by the Company from publicly available reports (i.e. gas analyses recovered from the wellbore). The Company cannot verify these historic results and they may be inaccurate or incorrect in certain respects. Therefore, there remains high uncertainty about how the historic well operations were executed, the sampling techniques used,</p>

Risk Category	Risk
	<p>and subsequent analyses undertaken.</p> <p>The occurrence of any of these geological, technological, and operational risks could result in substantial financial losses to the Company in a number of different ways. Whilst the Directors will endeavour to anticipate, identify and manage the risks inherent in the activities of the business, with the aim of eliminating, avoiding and mitigating the impact of such, no assurance can be given that the Directors will be successful in these endeavours. Therefore, there can be no assurance that exploration of the leases, or any other leases that may be acquired in the future, will result in the discovery of an economic resource. There is a risk that the Company may complete its drilling program in accordance with its work plan without any complications, and still not discover any hydrogen or helium, or still not discover hydrogen or helium in sufficient quantities for commercial operations.</p> <p>Furthermore, success of the Company will also depend upon the Company being able to maintain access to its leases and obtaining all required approvals for their contemplated activities. In the event that exploration programs prove to be unsuccessful this could lead to diminution in the value of the assets base of the Company, a reduction in the cash reserves of the Company and possible loss of leases.</p> <p>The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.</p>
<p>Resource, reserves and exploration target risks</p>	<p>The Company is engaged in hydrogen and helium exploration, appraisal and development which is inherently highly speculative and involves a significant degree of risk, as outlined under 'Geological, technological and operational risks' category above.</p> <p>Estimating Prospective Resources, Contingent Resources and Reserves is subject to significant assumptions and uncertainties associated with technical data and the interpretation of that data, the application of technology to access and recover the resources, future commodity prices and future development and operating costs, including being able to deal with the unique properties of hydrogen and helium in recovery from the subsurface, transporting, and processing.</p> <p>Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited (e.g. commercial flow rates). There can be no guarantee that the Company will successfully be able to convert Prospective Resources into Contingent Resources, and if the Company is successfully able to convert Prospective Resources into Contingent Resources, there is no guarantee that the Company will successfully be able to convert Contingent Resources into Reserves. Further, if the Company does convert Contingent Resources into Reserves, there is no guarantee that the Company will be able to produce the</p>

Risk Category	Risk
	<p>volume of hydrogen or helium that it estimates as Reserves. Estimates may change significantly or become more uncertain or have changed geologic risk or have changed development risk when new information becomes available throughout the life of a project. Reduction in Prospective Resources, Contingent Resources and Reserves estimates may have a material adverse effect on the viability of a project or the business of the Company generally.</p> <p>The Company and parties to the JDA (defined below) has identified a number of exploration targets at the projects, based on geological interpretations and limited geophysical data, geochemical sampling and historical drilling. Insufficient data however, exists to provide certainty over the extent of the resource. Whilst the Company intends to undertake additional exploratory work at the projects the aim of defining a resource, no assurances can be given that additional exploration will result in the determination of a resource on any of the exploration targets identified.</p>
<p>Authorisations to explore, develop and produce resources</p>	<p>If the Company identifies a potentially economically viable discovery that it then intends develop, it will, among other things, require various approvals, leases and permits for that location to develop any discovery (e.g. consent from relevant regulatory bodies, landowners). There is no guarantee that the Company will be able to obtain all required approvals, leases and permits. To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected.</p>
<p>Joint Venture Risk</p>	<p>The Company is subject to the risk that changes in the status of any of the Company's joint ventures may adversely affect the operations and performance of the Company. The Company's wholly owned subsidiary Neutralysis Industries Pty Ltd (Neutralysis), currently holds a 16% beneficial interest in a joint development and earn-in agreement (JDA) with Natural Hydrogen Energy LLC (NH2E).</p> <p>The financial performance of the Company is subject to its various counterparties performing their obligations under the JDA. If one of its counterparties (including NH2E) fails to perform their contractual obligations under the operating agreement, it may result in loss of earnings, termination of other related contracts, disputes and/or litigation of which could impact on the Company's financial performance. Disputes could also lead to extensive delays in the Company's proposed development activities.</p> <p>Furthermore, the Company is not the registered owner of the leases within the JDA with NH2E, and therefore the Company's ability to achieve its business objectives is reliant upon NH2E complying with its contractual obligations under the JDA, satisfying the terms and conditions of the leases as required to maintain the leases in full force and effect, free from any liability to forfeiture or nonrenewal, and comply with any other applicable legislation. The failure of NH2E or any future joint venture partner to comply with these obligations may result in the Company losing its interest in those leases which may have a material adverse effect on the Company's operations and performance, value of the Company's Shares, termination of other related contracts,</p>

Risk Category	Risk
	<p>and may lead to disputes and/or litigation.</p> <p>There is also a risk of financial failure or default under the joint venture arrangements by a participant in any joint venture to which the Company is, or may become, a party. Any withdrawal by a joint venture party or any issues with their ability to perform the obligations due under the joint venture arrangements could have a material adverse impact on the financial position of the Company.</p>
<p>Commodity price volatility and exchange rate risk</p>	<p>If the Company achieves success leading to hydrogen and/or other co-existing subsurface gas (e.g. helium) production, the revenue it will derive through the sale of product exposes the potential income of the Company to commodity price and exchange rate risks. These commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for production, technological advancements, forward selling activities and other macro-economic factors.</p> <p>Furthermore, international prices and the operations of the Company are generally denominated in United States dollars, whereas the income from capital raising of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.</p>
<p>Environmental risk</p>	<p>The operations and proposed activities of the Company are subject to a country's regulations concerning the environment. As with most exploration projects and development operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or production development proceeds. These operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of a Company's activities. Also, events such as unpredictable weather or wildfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Approvals are required for access, land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration or development activities.</p> <p>It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. However, despite its best efforts, the Company's operations may cause harm to the environment due to an unexpected occurrence or occurrences. Depending on the circumstances, the Company may suffer reputational damage, may have an obligation to remediate the damage and may also have its leases suspended or revoked, all of which may have a material adverse effect on the viability of a project or the business of the Company generally.</p>

Risk Category	Risk
Government policy and compliance risk	<p>The Company's businesses are affected by government policy. Reviews by foreign investment committees or adverse changes in government policies or legislation may affect ownership of leases, taxation, royalties, land access, labour relations, and exploration, development and production activities of the Company. It is possible that the current system of exploration and resource permitting in the United States may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.</p>
Climate Risk	<p>There are several climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:</p> <ul style="list-style-type: none"> <li data-bbox="584 701 1402 1171">(a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and <li data-bbox="584 1193 1402 1473">(b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.
Additional funding requirements	<p>The funds to be raised under the Offers (together with the existing cash reserves of the Company) are considered sufficient to meet the immediate objectives of the Company. Additional funding may be required in the event costs exceed the Company's estimates and to effectively implement its business and operational plans in the future to take advantage of opportunities for acquisitions or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur. If such events occur, additional funding will be required.</p> <p>Following completion of the Offers, the Company may seek to raise further funds through equity or debt financing, licensing arrangements, or other means. Failure to obtain sufficient financing for the Company's activities may result in delay and indefinite postponement of its activities and the Company's proposed expansion strategy. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing may not be favourable to the Company and might involve substantial</p>

Risk Category	Risk
	dilution to Shareholders.
Reliance on key personnel	<p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.</p> <p>The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.</p>
Agents and contractors	<p>The Directors are unable to predict the risk of the insolvency or managerial failure by any of the contractors used (or to be used in the future) by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used (or to be used in the future) by the Company for any activity.</p>
Competition risk	<p>The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.</p>
Insurance	<p>The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances the Company's insurance may not be 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.</p> <p>Insurance of all risks associated with exploration and production is not always available and where available the costs can be prohibitive.</p>
Limited operating history risk	<p>The Company was transformed from a suspended ASX oil and gas explorer to an entity exploring of natural hydrogen in late 2022 and since that time, it has incurred operating losses only. This means that investors will not have a long-term performance history or track record to use to assess the ability of the Company to achieve its objectives. Accordingly, there is a risk that the Company's investment objectives will not be achieved.</p>

Risk Category	Risk
Litigation risks	<p>The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.</p>
Results of studies	<p>Subject to the results of exploration and testing programs to be undertaken, the Company may progressively undertake a number of studies in relation to the Company's projects. These studies may include economic feasibility, legal feasibility, operational feasibility and scheduling feasibility, production facility concept development and design, front end engineering and design, and engineering, procurement and construction studies. The Company intends to complete such studies within parameters designed to determine the economic feasibility of the subject projects within certain limits. There can be no guarantee that any of these studies will confirm the economic viability of the subject projects or that the results of other studies undertaken by the Company will be consistent with the results of previous studies undertaken.</p> <p>Even if a study confirms the economic viability of a project, there can be no guarantee that the project will be successfully brought into production as assumed or within the estimated parameters in a feasibility study (e.g., operational costs and commodity prices) once production commences. Further, the ability of the Company to complete a study may be dependent on the Company's ability to raise further funds to complete the study if required.</p>

6.3 General investment risks

Risk Category	Risk
Economic conditions and other global or national issues	<p>General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, development and production activities, as well as on its ability to fund those activities.</p> <p>General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.</p>

Risk Category	Risk
Market conditions	<p>Share market conditions may affect the value of the Company's shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> (a) general economic outlook; (b) introduction of tax reform or other new legislation; (c) interest rates and inflation rates; (d) recommendations by brokers or analysts, (e) inclusion in, or removal from, market indices, (f) the number of potential buyers or sellers of shares on the ASX at any give time, (g) general operational and business risks (h) changes in investor sentiment toward particular market sectors; (i) the demand for, and supply of, capital; and (j) terrorism or other hostilities. <p>The market price of Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p> <p>Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of exploration companies experience extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies. These factors may materially affect the market price of the shares regardless of the Company's performance.</p> <p>Further, after the end of the relevant escrow periods affecting Shares in the Company, a significant sale of then tradeable Shares (or the market perception that such a sale might occur) could have an adverse effect on the Company's Share price.</p>
Taxation	<p>The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.</p>
Force majeure	<p>The Company's existing Projects or projects acquired in the future and/or share price may be adversely affected by risks outside the control of the Company including, but not limited to labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions. The Company has only a</p>

Risk Category	Risk
	limited ability to insure against some of these risks.
Global Conflicts	<p>The current evolving conflict between Ukraine and Russia and Israel and Palestine (Israeli-Palestinian Conflict) is impacting global economic markets. The nature and extent of the effect of the Israeli-Palestinian Conflicts on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the Israeli-Palestinian Conflicts.</p> <p>The Directors are continuing to closely monitor the potential secondary and tertiary macroeconomic impacts of the unfolding events, including the changing pricing of commodity and energy markets and the potential of cyber activity impacting governments and businesses. Further, any governmental or industry measures taken in response to the Israeli-Palestinian Conflicts, including limitations on travel and changes to import/export restrictions and arrangements involving the relevant countries may adversely impact the Company's operations and are likely to be beyond the control of the Company.</p> <p>The Company is monitoring the situation closely and considers the impact of the Israeli-Palestinian Conflicts on the Company's business and financial performance to, at this stage, be limited. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.</p>
Coronavirus (COVID-19)	<p>The outbreak of the coronavirus disease (SARS-CoV-2 (severe acute respiratory syndrome coronavirus 2), coronavirus disease 2019 or COVID 19, including any future resurgence or evolutions or mutations thereof or any related or associated epidemic, pandemic or disease outbreak) (COVID-19) may continue to impact global economic markets. While COVID-19 is not currently materially affecting the Company's operations, with the potential for further outbreaks and new strains of the virus, the ongoing nature and extent of the effect of the outbreak on the performance of the Company remains unknown.</p> <p>The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by further outbreaks and new strains of COVID-19. Further, any new governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.</p> <p>In addition, the effects of COVID-19 on the market price of the Shares and global financial markets generally may also affect the Company's ability to raise equity or debt if and when required or require the Company to issue capital at a discount, which may result in dilution for some or all Shareholders.</p>

6.4 Speculative investments

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

Prospective investors should consider that an investment in the Company is highly speculative.

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

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

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7. ADDITIONAL INFORMATION

7.1 Litigation

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

7.2 Continuous disclosure obligations

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

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

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

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

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

Date	Description of Announcement
8 April 2024	Cleansing Statement
8 April 2024	Application for quotation of securities – HYT
28 March 2024	Investor Presentation – March 2024
28 March 2024	Proposed issue of securities – HYT (x4)

Date	Description of Announcement
28 March 2024	Funding Secures for Hydrogen & Helium Drilling Program
26 March 2024	Trading Halt
25 March 2024	Notice of AGM Date and Closing Date for Director Nominations
25 March 2024	Appendix 4G and Corporate Governance Statement

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

The announcements are also available through the Company's website www.hyterra.com.

7.3 Market price of Shares

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

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

	(\$)	Date
Highest	\$0.026	5 April 2024
Lowest	\$0.017	13 - 14 March 2024
Last	\$0.026	5 April 2024

7.4 Material Contracts

7.4.1 Lead Manager Mandate

The Company has signed a mandate letter to engage RM to act as lead manager of the Placement and the Entitlement Offer (**Lead Manager Mandate**), the material terms and conditions of which are summarised below:

Term	The Lead Manager Mandate will commence on 23 March 2024 and continue for 12 months, unless terminated earlier in accordance with its terms.
Placement Fees	<p>The Company has agreed to pay/issue RM the following fees for acting as lead manager to the Placement (inclusive of GST):</p> <p>(a) 6% of the Placement amount within 7 days of completion of the Placement; and</p> <p>(b) a total of 24,000,000 New Options exercisable at \$0.04 each on or before 30 November 2027 no longer than 30 days after completion of the Placement, if this is not possible, at the next general meeting or annual general meeting of the Company and no longer than 90 days of completion of the Placement.</p>

Entitlement Offer Fees	The Company has agreed to pay RM a lead manager fee of \$30,000 to be satisfied by the issue of the Shares at the same issue price as Shares issued under the Entitlement Offer (1,666,666 Shares), for acting as lead manager to the Entitlement Offer (inclusive of GST).
Other fees	<p>The Company has agreed to pay to RM a \$4,000 (plus GST) per month retainer, for the first three months and then \$8,000 (plus GST) thereafter for the balance of the 12 months as a corporate advisory fee.</p> <p>The retainer fee is to be satisfied by the issue of Shares in the Company at a deemed issue price calculated on a 20% discount to the 10-day Volume Weighted Average Price (VWAP) at the end of each calendar month of the Lead Manager Mandate (Retainer Fee Shares). The Retainer Fee Shares are to be issued to RM (or their nominees) within 30 days of completion of the Placement, if this is not possible, at the next general meeting or annual general meeting of the company and no longer than 90 days of completion of the Placement.</p>
Termination	RM's engagement may be terminated by either party with cause on 14 days' notice. In the event of fees or outlays that have accrued or are payable to date of termination, these fees shall be paid to RM within 14 days of such termination.

The Lead Manager Mandate otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

7.4.2 Underwriting Agreement

The Company has entered into an underwriting agreement (**Underwriting Agreement**) with RM, pursuant to which the Underwriter has agreed to underwrite the Entitlement Offer up to a value of \$5,242,423 (the **Underwritten Amount**) (being 100% of the funds to be raised under the Entitlement Offer (and equal to 291,245,725 Shares) (**Underwritten Securities**).

The Underwriter may appoint Sub-Underwriters to sub-underwrite the Entitlement Offer. The appointment of any Sub-Underwriter and the allocation of any Underwritten Securities is at the sole discretion of the Underwriter.

The material terms and conditions of the Underwriting Agreement are summarised below:

Fees	<p>The Company has agreed to pay/issue RM the following fees for acting as Underwriter to the Entitlement Offer (inclusive of GST):</p> <p>(a) 6% of the funds raised under the Entitlement Offer (comprising a 1% management fee and 5% lodgement fee); and</p> <p>(b) subject to shareholder approval, a total of 72,000,000 New Options exercisable at \$0.04 each on or before 30 November 2027.</p>
Termination Events	<p>The Underwriting Agreement will be terminated if any of the following events occur:</p> <p>(a) prospectus:</p> <p>(i) the Underwriter forms the view that there is a material omission in the Prospectus, or the</p>

- Prospectus contains a material statement which is misleading or deceptive, or a material statement has become misleading or deceptive;
- (ii) the Underwriter forms the view that any projection or forecast in the Prospectus becomes, to a material extent, incapable of being met or unlikely to be met in the projected time;
 - (iii) ASIC gives notice of intention to hold a hearing under section 739(2) of the Corporations Act or makes an interim order under section 739(3) of the Corporations Act;
 - (iv) any person other than the Underwriter who consented to being named in the Prospectus withdraws that consent,
- (b) **supplementary prospectus:** the Underwriter reasonably forms the view that a supplementary or replacement document (as appropriate) must be lodged with ASIC under section 719 or section 724 of the Corporations Act and the Company does not lodge a supplementary or replacement document (as the case may be) in the form and content and within the time reasonably required by the Underwriter;
 - (c) **ASX listing:** ASX does not give approval for the Securities issued under the Offers to be listed for official quotation, or if approval is granted, the approval is subsequently withdrawn, qualified or withheld;
 - (d) **Indices fall:** the ASX All Ordinaries Index or the Dow Jones Industrial Average Index as determined at close of trading falls at least 10% below their respective levels at the close of trading on the date of the Underwriting Agreement for a total of three consecutive trading days during the offer;
 - (e) **Indictable offence:** a director of the Company or any Related Corporation is charged with an indictable offence
 - (f) **return of capital or financial assistance:** the Company or a Related Corporation takes any steps to undertake a proposal contemplated under section 257A or passes or takes any steps to pass a resolution under section 260B of the Corporations Act, without the prior written consent of the Underwriter;
 - (g) **banking facilities:** the Company's bankers terminate or issue any demand or penalty notice or amend the terms of any existing facility or claim repayment or accelerated repayment of any facility or require additional security for any existing facility;
 - (h) **change in laws:** any of the following changes of law occurs:
 - (i) the introduction of legislation into the Parliament of the Commonwealth of Australia or of any State or Territory of Australia; or
 - (ii) the public announcement of prospective legislation or policy by the Federal Government, or the Government of any State or Territory; or
 - (iii) the adoption by the ASIC, its delegates, ASX, the Reserve Bank of Australia or any other regulatory authority of any regulations or policy, which does or is likely to prohibit, restrict or regulate the

principal business of the Company, the Entitlement Offer or the operation of stock markets generally;

- (i) **failure to comply:** the Company or any Related Corporation fails to comply with any of the following:
 - (i) a provision of its Constitution;
 - (ii) any statute;
 - (iii) a requirement, order or request, made by or on behalf of the ASIC or any governmental agency; or
 - (iv) any material agreement entered into by it,
 which is likely to prohibit or materially restrict the business of the Company or the Entitlement Offer;
- (j) **alteration of capital structure or constitution:** the Company alters its capital structure or its constitution without the prior written consent of the Underwriter;
- (k) **extended Force Majeure:** a force majeure event, which prevents or delays an obligation under the Underwriting Agreement, lasting in excess of 2 weeks occurs;
- (l) **default:** the Company is in default of any of the terms and conditions of the Underwriting Agreement or breaches any warranty or covenant given or made by it under the Underwriting Agreement;
- (m) **adverse change:** any adverse change occurs which materially impacts or is likely to materially impact the assets, operational or financial position of the Company or a related corporation (including but not limited to an administrator, receiver, receiver and manager, trustee or similar official being appointed over any of the assets or undertaking of the Company or a related corporation);
- (n) **investigation:** any person is appointed under any legislation in respect of companies to investigate the affairs of the Company or a related corporation;
- (o) **Due Diligence:** there is a material omission from the Due Diligence Results or those results are false or misleading in a material respect;
- (p) **Prescribed Occurrence:** any of the following occur:
 - (i) the Company or any of its subsidiaries converting all or any of its shares into a larger or smaller number of shares;
 - (ii) the Company or any of its subsidiaries resolving to reduce its share capital in any way;
 - (iii) the Company or any of its subsidiaries:
 - (A) entering into a buy-back agreement or;
 - (B) resolving to approve the terms of a buy-back agreement under Section 257D or 257E of the Corporations Act;
 - (iv) other than the issue of the Placement Shares, the Company or any of its subsidiaries making an issue of, or granting an option to subscribe for, any of its shares or any other securities, or agreeing to make such an issue or grant such an option;
 - (v) the Company or any of its subsidiaries issuing, or

	<p>agreeing to issue, convertible notes;</p> <p>(vi) the Company or any of its subsidiaries disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;</p> <p>(vii) the Company or any of its subsidiaries charging, or agreeing to charge, the whole, or a substantial part, of its business or property;</p> <p>(viii) the Company or any of its subsidiaries resolving that it be wound up;</p> <p>(ix) the appointment of a liquidator or provisional liquidator of the Company or any of its subsidiaries;</p> <p>(x) the making of an order by a court for the winding up of the Company or any of its subsidiaries;</p> <p>(xi) an administrator of the Company or any of its subsidiaries, being appointed under Section 436A, 436B or 436C of the Corporations Act;</p> <p>(xii) the Company or any of its subsidiaries executing a deed of company arrangement; or</p> <p>(xiii) 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 or any of its subsidiaries.</p> <p>(q) Suspension of debt payments: the Company suspends payment of its debts generally;</p> <p>(r) Event of Insolvency: an event of insolvency occurs in respect of the Company or a related corporation;</p> <p>(s) Judgment against a related corporation: a judgment in an amount exceeding \$100,000 is obtained against the Company or a related corporation and is not set aside or satisfied within 7 days; and</p> <p>(t) Market Conditions: any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or the international financial markets or any material adverse change occurs in national or international political, financial, economic conditions, in each case the effect of which is that, in the reasonable opinion of the Underwriters, reached in good faith, it is impracticable to enforce contracts to issue or sub-underwrite the securities pursuant to the Prospectus or that the success of the Entitlement Offer is likely to be adversely affected.</p>
Conditions	The Underwriter's obligations are conditional upon the Company providing the Underwriter with a shortfall notice and closing certificate on the date that the results of the Entitlement Offer are announced to the ASX.

The Underwriting Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

7.4.3 Mee Sub-Underwriting Agreement

The Underwriter has entered into a sub-underwriting agreement with Director, Mr Ben Mee, pursuant to which Mr Mee has agreed to sub-underwrite the Entitlement Offer up to up to a value of \$120,000 (being 6,666,666 Shares) (**Sub-underwriting Agreement**).

In consideration for this commitment, Mr Mee will receive a cash fee equal to 4% of his sub-underwriting commitment (being \$4,800) and will, subject to Shareholder approval, be issued 600,000 New Options.

The Sub-underwriting Agreement shall terminate if the Underwriters' obligations under the Underwriting Agreement cease or are terminated.

The Sub-underwriting Agreement is otherwise made on terms and conditions considered standard for an agreement of this nature.

7.5 Interests of Directors

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

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

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

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

Security holdings

The relevant interest of each of the Directors in the Securities as at the date of this Prospectus, together with their respective Entitlement, is set in Section 2.7.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions

by each non-executive Director. The current amount has been set at an amount not to exceed \$250,000 per annum.

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

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive Directors as disclosed in the Company's 2023 Annual Report.

Director	Proposed remuneration for financial year ended 31 December 2024	Remuneration for financial year ended 31 December 2023 ¹
Mr Benjamin Mee	\$447,740 ⁴	\$273,697 ¹
Mr Avon McIntyre	\$362,256 ⁵	\$296,929 ²
Mr Russell Brimage	\$163,453 ⁶	\$130,685 ³

Notes:

1. Mr Mee was appointed as a Director on 19 April 2023. Comprising Directors' salary and fees \$193,263 and equity-based payments of \$80,434.
2. Comprising Directors' salary and fees \$193,140, superannuation \$22,418 and equity-based payments of \$81,371.
3. Comprising Directors' salary and fees \$90,000 and equity-based payments of \$40,685.
4. Comprising Directors' salary and fees \$275,000 and equity-based payments of \$172,740.
5. Comprising Directors' salary and fees \$193,140, superannuation \$22,211 and equity-based payments of \$146,905.
6. Comprising Directors' salary and fees \$90,000 and equity-based payments of \$73,453.

7.6 Interests of experts and advisers

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

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

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

- (d) the formation or promotion of the Company;

- (e) any property acquired or proposed to be acquired by the Company in connection with:
- (i) its formation or promotion; or
 - (ii) the Offers; or
- (f) the Offers,
- and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:
- (g) the formation or promotion of the Company; or
 - (h) the Offers.

RM Corporate Finance Pty Ltd has acted as the underwriter and lead manager of the Placement and Entitlement Offer. The Company estimates it will pay RM Corporate Finance the fees set out in Section 7.4.1 and 7.4.2 for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, RM Corporate Finance has not received any fees from the Company.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offers. The Company estimates it will pay Steinepreis Paganin \$17,500 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$368,408.17 (excluding GST and disbursements) for legal services provided to the Company.

HLB Mann Judd (WA Partnership) will be paid \$20,000 for auditing the Company's 31 December 2023 balance sheet. During the 24 months preceding lodgement of this Prospectus with the ASIC, HLB Mann Judd (WA Partnership) has received \$149,058 (excluding GST) in fees from the Company.

7.7 Consents

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

Each of the parties referred to in this Section:

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

- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

RM Corporate Finance Pty Ltd has given its written consent to being named as underwriter and lead manager to the Entitlement Offer in this Prospectus. RM Corporate Finance Pty Ltd (including its related entities) is not a Shareholder of the Company and currently has no relevant interest in any of the Company's securities (other than the Options referred to in Section 2.3).

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus.

HLB Mann Judd (WA Partnership) has given its written consent to being named as auditor to the Company in this Prospectus and has consented to the inclusion of the 31 December 2023 audited balance sheet of the Company in Section 4.5. HLB Mann Judd (WA Partnership) has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

7.8 Expenses of the Entitlement Offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$384,545 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	15,934
Underwriting Fees	319,345
Legal fees ¹	20,800
Printing and distribution	17,500
Miscellaneous	7,760
Total	384,545

Notes:

1. Includes fees payable to Steinepreis Paganin and international legal counsel.

8. DIRECTORS' AUTHORISATION

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

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

For personal use only

9. GLOSSARY

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

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

ASIC means the Australian Securities and Investments Commission.

ASX Listing Rules means the listing rules of the ASX.

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

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

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

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

Closing Date means the date specified in the timetable set out at Section 1 (unless extended).

Company means HyTerra Limited (ACN 116 829 675).

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

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

CRN means Customer Reference Number in relation to BPAY®.

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

Eligible Shareholder means a Shareholder as at the Record Date who is eligible to participate in the Entitlement Offer.

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

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Entitlement Offer.

Entitlement Offer means the pro-rata non-renounceable rights issue of four (4) Shares for every nine (9) Shares held by Shareholders registered at the Record Date at an issue price of \$0.018 per Share. **New Option** means an option to acquire a Share on the terms set out in Section 5.2.

Offers means the Entitlement Offer and Options Offer, the subject of this Prospectus and **Offer** means either one of them as the context requires.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Options Offer means the offer of 96,000,000 New Options to RM (or its nominees).

Performance Right means a right to acquire a Share.

Placement has the meaning given to it in Section 2.1.

Placement Participants has the meaning given to it in Section 2.1.

Placement Shares has the meaning given to it in Section 2.1.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at Section 1.

Section means a section of this Prospectus.

Securities means Shares as the context requires.

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

Shareholder means a holder of a Share.

Shortfall means the Securities not applied for under the Entitlement Offer (if any).

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

Shortfall Offer means the offer of the Shortfall Securities on the terms and conditions set out in Section 3.7.

Shortfall Securities means those Securities not applied for under the Entitlement Offer (if any) and offered pursuant to the Shortfall Offer.

Sub-Underwriting Agreement has the meaning given to it in Section 7.4.3.

Sub-Underwriters has the meaning given to it in Section 2.9.

Underwriter or **RM** means RM Corporate Finance Pty Ltd (AFSL 315235).

Underwritten Amount means \$5,242,423.

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