

# **QEM LIMITED**

**ACN 167 966 770**

## **RENOUNCEABLE ENTITLEMENT OFFER PROSPECTUS**

For a renounceable pro-rata offer to Eligible Shareholders of up to 43,254,775 New Shares on the basis of 1 New Share for every 3.5 Shares held on the Record Date (with 1 attaching New Option for every 2 New Shares issued) at an issue price of \$0.07 per New Share to raise up to approximately \$3,027,834 (before costs).

The Offer is underwritten to \$1,600,000 by Mahe Capital Pty Ltd ACN 634 087 684.

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT  
SHOULD BE READ IN ITS ENTIRETY.**

**IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL  
ADVISER WITHOUT DELAY.**

**THE SECURITIES OFFERED IN CONNECTION WITH THIS PROSPECTUS ARE OF A  
SPECULATIVE NATURE.**

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## Important information

This Prospectus is dated 23 September 2024 and was lodged with the ASIC on that date. 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.

### **Transaction specific Prospectus**

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 and relevant ASIC instruments.

### **Continuous disclosure obligations**

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

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

### **Not 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. Key risk factors are set out in Section 5.

### **Overseas shareholders**

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

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

For further information on overseas Shareholders please refer to Section 2.15.

### **Target Market Determination**

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of New Options under this Prospectus. The Company and the Underwriter will only distribute this Prospectus to those investors who fall within the target market determination (TMD) as set out on the Company’s website ([www.gldem.com.au](http://www.gldem.com.au)). By making an application under the Offer, you warrant that you have

read and understood the TMD and that you fall within the target market set out in the TMD.

### **Electronic Prospectus**

A copy of this Prospectus can be downloaded from the website of the Company at [www.gldem.com.au](http://www.gldem.com.au).

If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australia or New Zealand resident 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 email at [dcornish@corpserVICES.com.au](mailto:dcornish@corpserVICES.com.au). The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

### **Company Website**

No documents or other information available on the Company's website are 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.

### **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 10.

All references to time in this Prospectus are references to AEST.

### **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* (Cth), 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 Offer or how to accept the Offer, please email the Company.

# Corporate Directory

## Directors

|               |                        |
|---------------|------------------------|
| Tim Wall      | Chairman               |
| Gavin Loyden  | Managing Director      |
| Tony Pearson  | Non-Executive Director |
| Daniel Harris | Non-Executive Director |

## Registered Office

Suite 606, Level 6  
10 Market St  
Brisbane QLD 4000  
E: Duncan Cornish:  
[dcornish@corpservices.com.au](mailto:dcornish@corpservices.com.au)  
T: (07) 3212 6299

## Auditors\*

Hall Chadwick WA Audit Pty Ltd  
283 Rokeby Road  
Subiaco, WA 6008

## ASX Code

QEM

## Share Registry\*

Automatic Share Registry  
Level 5, 191 St Georges Terrace  
Perth WA 6000  
1300 288 664 (Local)  
+61 2 9698 5414 (International)

## Lawyers to the Offer

HWL Ebsworth Lawyers  
Level 19, 480 Queen Street  
Brisbane QLD 4000  
E: [bvanstaden@hwle.com.au](mailto:bvanstaden@hwle.com.au)

## Underwriter

Mahe Capital Pty Ltd  
Level 8, 99 St George's Terrace  
Perth, WA 6000

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

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## Indicative Timetable

| Event   | Date                         |
|---|------------------------------|
| Offer Announced<br>Prospectus lodged with ASIC and ASX<br>Appendix 3B lodged with ASX<br>Prior to the commencement of trading | Monday, 23 September 2024    |
| Ex Date<br>Rights trading commences   | Wednesday, 25 September 2024 |
| Record Date   | Thursday, 26 September 2024  |
| Despatch Prospectus with Entitlement and Acceptance Forms<br>Offer Opens  | Tuesday, 1 October 2024      |
| Rights Trading Ends   | Tuesday, 8 October 2024      |
| Securities quoted on deferred settlement basis  | Wednesday, 9 October 2024    |
| Last date to extend Closing Date (before noon)  | Thursday, 10 October 2024    |
| Closing Date (5pm AEST)   | Tuesday, 15 October 2024     |
| Results of Offer announced  | Friday, 18 October 2024      |
| Settlement and Issue of Offer Securities<br>Appendix 2A lodged with ASX<br>Holding Statements sent                            | Tuesday, 22 October 2024     |
| Trading in New Shares commences   | Wednesday, 23 October 2024   |

\* All dates (other than the date of the Prospectus and the date of lodgement of the Prospectus with ASIC and ASX) are indicative only. The Directors may extend the Closing Date in respect of the Offer by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such, the date the Securities issued under the Offer are expected to commence trading on ASX, may vary.

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## Letter from the Chairman

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Dear Shareholders

On behalf of QEM Limited (**Company**), I am pleased to invite you to participate in a renounceable pro rata offer available to eligible shareholders on the basis of two new Shares for every seven Shares held at an issue price of \$0.07 per new Share, to raise approximately \$3,027,834 (**Offer**).

The Offer represents a discount of 48% to the 30 day volume weighted average price of \$0.134 prior to announcement.

For every two new Shares subscribed, investors will receive one free New Option exercisable at \$0.14 each with a term of two years.

The Offer is partially underwritten to \$1.6 million by the Lead Manager and Underwriter, Mahe Capital Pty Ltd.

The Directors intend to participate in the issue and have agreed to sub-underwrite \$100,000. QEM's major shareholder, David Fitch, has agreed to take up his full entitlement of \$884,393.

Shareholders have the opportunity to apply for additional shares, in excess of their entitlement. The rights are expected to start trading from 25 September 2024.

This fundraising follows delivery of a positive Scoping Study for QEM's Julia Creek Project demonstrating a distinctive and commercially attractive project for onsite critical minerals refining in Queensland.

The funds raised will be used:

- towards completing the current test work program to optimize and lock-down flow sheets for entry into a Pre-Feasibility Study in relation to the Company's Julia Creek Project;
- to progress the Julia Creek Pre-Feasibility Study program;
- to continue environmental studies, EIS Term of Reference, approvals documentation; and
- as general working capital

We look forward to continued shareholder support as we further de-risk and progress the project through the pre-feasibility stage and deliver value for our shareholders.

While the Company is at an exciting stage of its development, risks remain, including metallurgical recoveries, fuel process technical and operating risk, approvals, capital costs and commodity pricing. Section 5 sets out further details of risks investors should consider.

On behalf of your Directors, I invite you to consider this opportunity and thank you for your continued support.

Yours sincerely



Tim Wall  
Chair

23 September 2024

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Table of contents

|   |            |
|---|------------|
| <b>Letter from the Chairman</b>                               | <b>v</b>   |
| <b>1. Investment Overview</b>                                 | <b>vii</b> |
| <b>2. Details of the Offer</b>                                | <b>17</b>  |
| <b>3. Action required by Shareholders</b>                     | <b>23</b>  |
| <b>4. Purpose and Effect of the Offer</b>                     | <b>28</b>  |
| <b>5. Risk Factors</b>  | <b>33</b>  |
| <b>6. Rights attaching to Securities</b>                      | <b>44</b>  |
| <b>7. Additional Information</b>                              | <b>48</b>  |
| <b>8. Directors' Statement and Consent</b>                    | <b>57</b>  |
| <b>9. Unaudited Pro Forma Statement of Financial Position</b> | <b>58</b>  |
| <b>10. Glossary of Terms</b>                                  | <b>59</b>  |

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## 1. Investment Overview

This Section is intended to highlight key information for potential investors. It is an overview only and is not intended to replace the Prospectus. Potential investors should read the Prospectus in full before deciding to invest in Securities.

| Key Information  | Further Information       |
|--|---------------------------|
| <b>The Offer</b>   |                           |
| <p><b>What is the Offer?</b></p> <p>The Offer is a pro rata renounceable entitlement offer of:</p> <p>(a) 1 New Share for every 3.5 existing Shares held by Eligible Shareholders on the Record Date at an issue price of \$0.07 per new Share to raise up to \$3,027,834 (before costs); and</p> <p>(b) 1 free attaching New Option (expiring 30 September 2026 and exercisable at \$0.14) for every 2 New Shares subscribed for under the Offer.</p> <p>Eligible Shareholders may apply for New Shares under the Entitlement Offer subject to such applications being received by the Closing Date as described in Section 3.</p>  | Section 2.1               |
| <p><b>Shortfall Offer</b></p> <p>The Shortfall Offer is a component of the Entitlement Offer allowing Eligible Shareholders to subscribe for New Shares (in excess of their Entitlements) not subscribed for by other Eligible Shareholders pursuant to the Entitlement Offer.</p> <p>Under the Shortfall Offer, Eligible Shareholders who have applied for their full Entitlement may therefore apply for additional New Shares (and attaching New Options) in excess of their pro rata Entitlement.</p> <p>Any Shares to be issued pursuant to the Shortfall Offer will be allocated at the discretion of the Directors in consultation with Mahe Capital, pursuant to the allocation policy outlined in Section 2.3. Accordingly, there is no guarantee that Eligible Shareholders who apply for Shortfall Shares in excess of their Entitlement will receive any Shortfall Shares.</p> | Sections 2.3 and 3        |
| <p><b>Offer Price</b></p> <p>The Offer Price for New Shares subscribed for under the Entitlement Offer is \$0.07 per New Share. The New Options have a nil issue price, are exercisable at \$0.14 and expire on 30 September 2026.</p>   | Section 2.1               |
| <p><b>Is the Entitlement Offer underwritten?</b></p> <p>The Entitlement Offer is partly underwritten to \$1,600,000 by Mahe Capital (<b>Underwriter</b>) with dispersion to related party sub-underwriters and a former director. The potential effect of the underwriting (and sub-underwriting by related parties) on control of the Company and the maximum Voting Power that the Underwriter and sub-underwriters may obtain in the Company, is set out in Section 4.4.</p>  | Sections 2.1, 4.4 and 7.1 |
| <p><b>How much will be raised from the Entitlement Offer?</b></p>  | Section 4.1               |

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| Key Information  | Further Information                    |
|--|--|
| The Company is seeking to raise approximately \$3,027,834 (before costs) pursuant to the Offer.  |  |
| <p><b>What is my Entitlement?</b></p> <p>Each Eligible Shareholder is entitled to subscribe for 1 New Share for every 3.5 existing Shares held at 7.00pm (AEST) on the Record Date, with 1 free attaching New Option for every 2 New Shares issued.</p> <p>If you are an Eligible Shareholder, your Entitlement is set out on the personalised Entitlement and Acceptance Form accompanying this Prospectus.</p>   | Sections 2.1, 2.3 and 3                |
| <p><b>Can I trade my Entitlement?</b></p> <p>Yes, the Entitlement Offer is renounceable and can be traded on ASX or otherwise.</p>   | Sections 2.1, 3.1 and 3.5              |
| <p><b>What is the purpose of the Offer and how will the funds raised be used?</b></p> <p>The Offer is being undertaken to raise funds for use:</p> <ul style="list-style-type: none"> <li>(a) towards completing the Company's current test work program to optimize and refine flow sheets for commencement of a pre-feasibility study for the Company's Julia Creek Project and progression of the pre-feasibility study program;</li> <li>(b) for conducting environmental studies, preparing environmental impact statement terms of reference and related approvals documentation;</li> <li>(c) for general working capital; and</li> <li>(d) for expenses associated with the Offer.</li> </ul>      | Sections 4.1 and 9                     |
| <b>How to Participate in the Entitlement Offer</b>   |  |
| <p><b>Eligible Shareholders</b></p> <p>The Offer is made to Eligible Shareholders only. Eligible Shareholders are those Shareholders who:</p> <ul style="list-style-type: none"> <li>(a) are the registered holder of Shares on the Record Date; and</li> <li>(b) have a registered address in Australia or New Zealand.</li> </ul> <p>If you are an Eligible Shareholder and you wish to take up all or part of your Entitlement, you must pay the full Application Monies via BPAY® or EFT (where indicated as available on the Entitlement and Acceptance Form) by no later than 5.00pm (AEST) on the Closing Date.</p> <p>You can also apply for Shortfall Shares in addition to your Entitlement.</p> | Sections 2.13, 2.14, 2.15, 3.1 and 3.8 |
| <p><b>Ineligible foreign Shareholders</b></p> <p>Shareholders with a registered address outside Australia or New Zealand on the Record Date are unable to participate in the Offer.</p>  | Sections 2.13, 2.14 and 2.15           |
| <b>Further details of the Entitlement Offer</b>  |  |
| <b>What will be the effect of the Entitlement Offer on the control of the Company?</b>   | Sections 4.2, 4.3 and 4.4              |

| Key Information   | Further Information            |        |                                  |  |                              |             |                               |           |                                 |           |                                   |  |  |            |   |            |   |           |  |  |                     |             |                      |            |                                 |           |                                     |
|---|--------------------------------|--------|----------------------------------|--|------------------------------|-------------|-------------------------------|-----------|---------------------------------|-----------|-----------------------------------|--|--|------------|---|------------|---|-----------|--|--|---------------------|-------------|----------------------|------------|---------------------------------|-----------|-------------------------------------|
| <p>The Company currently has 151,391,712 Shares on issue. The maximum number of New Shares that may be issued under the Offer of 43,254,775 represents 28.57% of Shares on issue on an undiluted basis and 27.09% on a fully diluted basis.</p> <p>Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted (as compared to their holdings and number of Shares on issue as at the date of this Prospectus). The maximum dilution that may occur as a result of the Offer is 28.57% (on an undiluted basis).</p> <p>Examples of how the dilution may impact Shareholders are set out in Section 4.3. The maximum Voting Power that the Underwriter and sub-underwriters may obtain in the Company is set out in Section 4.4.</p>  |                                |        |                                  |  |                              |             |                               |           |                                 |           |                                   |  |  |            |   |            |   |           |  |  |                     |             |                      |            |                                 |           |                                     |
| <p><b>Indicative capital structure</b></p> <p>The indicative capital structure upon completion of the Offer (assuming the Offer is fully subscribed) is set out below:</p> <table border="1"> <thead> <tr> <th style="text-align: left;">Securities</th> <th style="text-align: right;">Number</th> </tr> </thead> <tbody> <tr> <td colspan="2"><b>Current capital structure</b></td> </tr> <tr> <td>Existing Shares<sup>1</sup></td> <td style="text-align: right;">151,391,712</td> </tr> <tr> <td>Existing Options<sup>2</sup></td> <td style="text-align: right;">6,350,000</td> </tr> <tr> <td>Performance Rights<sup>3</sup></td> <td style="text-align: right;">1,875,000</td> </tr> <tr> <td colspan="2"><b>Securities under the Offer</b></td> </tr> <tr> <td>Maximum New Shares to be issued pursuant to the Offer<sup>4</sup></td> <td style="text-align: right;">43,254,775</td> </tr> <tr> <td>Maximum New Options to be issued pursuant to the Offer<sup>5</sup></td> <td style="text-align: right;">21,627,388</td> </tr> <tr> <td>Maximum Underwriter Options to be issued pursuant to the Offer<sup>6</sup></td> <td style="text-align: right;">3,027,834</td> </tr> <tr> <td colspan="2"><b>Maximum Securities on issue after the Offer</b></td> </tr> <tr> <td>Shares<sup>1</sup></td> <td style="text-align: right;">194,646,487</td> </tr> <tr> <td>Options<sup>7</sup></td> <td style="text-align: right;">30,977,388</td> </tr> <tr> <td>Performance Rights<sup>3</sup></td> <td style="text-align: right;">1,875,000</td> </tr> </tbody> </table> <p><b>Notes:</b></p> <ol style="list-style-type: none"> <li>The rights attaching to Shares are set out in Section 6.1.</li> <li>These include 500,000 Options with an exercise price of \$0.20 and expiring on 1 March 2026, 5,600,000 Options with an exercise price of \$0.345 and expiring on 12 August 2025 and 250,000 Options with an exercise price of \$0.20 and expiring on 1 May 2025.</li> <li>Comprised of 1,125,000 Performance Rights expiring on 26 August 2026 and 750,000 Performance Rights expiring on 26 August 2027.</li> <li>Subject to rounding. The terms of issue of New Shares (ranking equally with all Existing Shares) are set out in Section 6.1</li> <li>Subject to rounding. The terms of issue of New Options are set out in Section 6.2.</li> <li>Subject to rounding. The terms of issue of the Underwriter Options are set out in Section 6.3. Refer to Section 7.1 in relation to amounts due to the Underwriter in relation to the Offer.</li> <li>Comprised of Existing Options, New Options and Underwriter Options in the numbers and proportions set out in the table above.</li> </ol> <p>Further details in respect of the Company's capital structure are set out in Section 4.2.</p> <p>The indicative pro-forma balance sheet showing the effect of the Offer is in Section 9.</p> | Securities                     | Number | <b>Current capital structure</b> |  | Existing Shares <sup>1</sup> | 151,391,712 | Existing Options <sup>2</sup> | 6,350,000 | Performance Rights <sup>3</sup> | 1,875,000 | <b>Securities under the Offer</b> |  | Maximum New Shares to be issued pursuant to the Offer <sup>4</sup> | 43,254,775 | Maximum New Options to be issued pursuant to the Offer <sup>5</sup> | 21,627,388 | Maximum Underwriter Options to be issued pursuant to the Offer <sup>6</sup> | 3,027,834 | <b>Maximum Securities on issue after the Offer</b> |  | Shares <sup>1</sup> | 194,646,487 | Options <sup>7</sup> | 30,977,388 | Performance Rights <sup>3</sup> | 1,875,000 | <p>Sections 4.1, 6.1, 6.2 and 9</p> |
| Securities  | Number                         |        |                                  |  |                              |             |                               |           |                                 |           |                                   |  |  |            |   |            |   |           |  |  |                     |             |                      |            |                                 |           |                                     |
| <b>Current capital structure</b>  |                                |        |                                  |  |                              |             |                               |           |                                 |           |                                   |  |  |            |   |            |   |           |  |  |                     |             |                      |            |                                 |           |                                     |
| Existing Shares <sup>1</sup>  | 151,391,712                    |        |                                  |  |                              |             |                               |           |                                 |           |                                   |  |  |            |   |            |   |           |  |  |                     |             |                      |            |                                 |           |                                     |
| Existing Options <sup>2</sup>   | 6,350,000                      |        |                                  |  |                              |             |                               |           |                                 |           |                                   |  |  |            |   |            |   |           |  |  |                     |             |                      |            |                                 |           |                                     |
| Performance Rights <sup>3</sup>   | 1,875,000                      |        |                                  |  |                              |             |                               |           |                                 |           |                                   |  |  |            |   |            |   |           |  |  |                     |             |                      |            |                                 |           |                                     |
| <b>Securities under the Offer</b>   |                                |        |                                  |  |                              |             |                               |           |                                 |           |                                   |  |  |            |   |            |   |           |  |  |                     |             |                      |            |                                 |           |                                     |
| Maximum New Shares to be issued pursuant to the Offer <sup>4</sup>  | 43,254,775                     |        |                                  |  |                              |             |                               |           |                                 |           |                                   |  |  |            |   |            |   |           |  |  |                     |             |                      |            |                                 |           |                                     |
| Maximum New Options to be issued pursuant to the Offer <sup>5</sup>   | 21,627,388                     |        |                                  |  |                              |             |                               |           |                                 |           |                                   |  |  |            |   |            |   |           |  |  |                     |             |                      |            |                                 |           |                                     |
| Maximum Underwriter Options to be issued pursuant to the Offer <sup>6</sup>   | 3,027,834                      |        |                                  |  |                              |             |                               |           |                                 |           |                                   |  |  |            |   |            |   |           |  |  |                     |             |                      |            |                                 |           |                                     |
| <b>Maximum Securities on issue after the Offer</b>  |                                |        |                                  |  |                              |             |                               |           |                                 |           |                                   |  |  |            |   |            |   |           |  |  |                     |             |                      |            |                                 |           |                                     |
| Shares <sup>1</sup>   | 194,646,487                    |        |                                  |  |                              |             |                               |           |                                 |           |                                   |  |  |            |   |            |   |           |  |  |                     |             |                      |            |                                 |           |                                     |
| Options <sup>7</sup>  | 30,977,388                     |        |                                  |  |                              |             |                               |           |                                 |           |                                   |  |  |            |   |            |   |           |  |  |                     |             |                      |            |                                 |           |                                     |
| Performance Rights <sup>3</sup>   | 1,875,000                      |        |                                  |  |                              |             |                               |           |                                 |           |                                   |  |  |            |   |            |   |           |  |  |                     |             |                      |            |                                 |           |                                     |
| <p><b>Directors' interests in Securities</b></p> <p>The interest (direct and indirect) of each of the Directors in the Company's Securities</p>   | <p>Sections 7.7(b) and 4.4</p> |        |                                  |  |                              |             |                               |           |                                 |           |                                   |  |  |            |   |            |   |           |  |  |                     |             |                      |            |                                 |           |                                     |

| Key Information  |            |                  |           |                    |                          | Further Information |
|--|------------|------------------|-----------|--------------------|--------------------------|---------------------|
| as at the date of this Prospectus and their Entitlements under the Offer, are set out in the table below:  |            |                  |           |                    |                          |                     |
| Director   | Shares     | Voting power (%) | Options   | Performance Rights | Entitlement <sup>1</sup> |                     |
| Tim Wall   | 100,000    | 0.1%             | 600,000   | 375,000            | 28,572                   |                     |
| Gavin Loyden   | 20,730,690 | 13.7%            | 2,000,000 | 625,000            | 5,923,055                |                     |
| Tony Pearson   | 0          | -                | 0         | 375,000            | 0                        |                     |
| Daniel Harris  | 0          | -                | 600,000   | 250,000            | 0                        |                     |
| Notes:   |            |                  |           |                    |                          |                     |
| 1. The Directors have indicated an intention to participate in the Offer as sub-underwriters. In relation to Directors sub-underwriting the Offer, refer to Section 4.4. In relation to director remuneration, refer to Section 7.7(c). Under the ASX Listing Rules, Directors may assume sub-underwriter obligations without Shareholder approval.  |            |                  |           |                    |                          |                     |
| <p><b>Forward looking statements</b></p> <p>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.</p> <p>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 considered reasonable.</p> <p>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 management.</p> <p>The Directors cannot and do 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.</p> <p>The Directors have 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.</p> <p>These forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5.</p> |            |                  |           |                    |                          |                     |
| <p><b>Transaction specific prospectus</b></p> <p>This Prospectus is a transaction specific prospectus for offers of continuously quoted securities (or securities convertible into continuously quoted securities) (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act and relevant ASIC relief instruments. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.</p>   |            |                  |           |                    |                          | Section 7.2         |

| Key Information   | Further Information |
|---|---------------------|
| <p><b>What are the key risks of taking up my Entitlement?</b></p>   |                     |
| <p><b>Company risk factors</b></p> <p>Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 5, including (but not limited to) risks in respect of the Company:</p>  |                     |
| <p><b>Control Risk:</b></p> <p>Mr Fitch, a sub-underwriter of the Offer (see Section 4.4) and former Director is currently the largest Shareholder of the Company and has a relevant interest in approximately 29.2% of the Shares in the Company. Should no Shareholders (other than those who are sub-underwriters) take up their Entitlements, as set out in Section 4.4, Mr Fitch's voting power in the Company could be as high as 32.71%. Mr Fitch's significant interest in the capital of the Company means that he is in a position to potentially influence the financial decisions of the Company, and his interests may not align with those of all other Shareholders.</p> | Section 5.1(a)      |
| <p><b>Potential for dilution:</b></p> <p>In addition to potential control impacts set out in Sections 4.2, 4.3 and 4.4, Shareholders should note that if they do not participate in the Offer, their holdings may be diluted by up to approximately 28.57% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus). Assuming all New Options offered pursuant to this Prospectus are issued and exercised into Shares, Shareholders who do not participate in the Offer may be diluted further as compared to their holdings and number of Shares on issue as at the date of the Prospectus</p>   | Section 5.1(b)      |
| <p><b>Additional requirements for capital:</b></p> <p>In the future, the Company may need additional funding. The Company may seek to raise further funds through equity or debt financing or a mix of both. 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 involve substantial dilution to Shareholders.</p>  | Section 5.1(c)      |
| <p><b>Funding risk:</b></p> <p>The Company has implemented a funding strategy involving raising additional capital to meet its immediate and near-term capital requirements. If the Company requires access to further funding in the future, there can be no assurance that additional funds will be available either at all or on terms and conditions which are commercially acceptable to the Company. If the Company is unable to obtain such additional capital, it may be required to reduce the scope of its anticipated activities or sell down assets, which could adversely affect its business, financial condition and operating results.</p>                              | Section 5.1(d)      |
| <p><b>Technical Studies Risk:</b></p> <p>Subject to the results of testing programs to be undertaken, the Company may progressively undertake a number of studies (or further studies) relating to its projects, particularly with respect to the Julia Creek Project. Any studies will be completed within parameters designed to determine the economic feasibility of a project within certain limits. There can be no guarantee that any of the studies will confirm the economic</p>   | Section 5.1(e)      |

| Key Information  | Further Information        |
|--|----------------------------|
| <p>viability of the Company's projects. Even if a study confirms the economic viability of a project, there can be no guarantee the Company will raise the development funding or the project will be successfully brought into production as assumed or within the estimated parameters once production commences.</p>  |                            |
| <p><b>Resource Estimation risks:</b></p> <p>By their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, current and future estimates may change.</p>  | Section 5.1(g)             |
| <p><b>Exploration and development risks:</b></p> <p>Mineral exploration and development is a speculative and high-risk undertaking that may be impeded by circumstances and factors beyond the control of the Company. As the Company is an exploration company, there can be no assurance that exploration of its projects, or any other exploration tenure that may be acquired in the future, will result in the discovery of an economic mineral deposit. Even if an apparently viable mineral resource is identified, there is no guarantee that it can or will be economically exploited.</p>  | Section 5.1(h)             |
| <p><b>Land Access and Native Title:</b></p> <p>There is a substantial level of regulation and restriction on the ability of exploration and mining companies to have access to land in Australia. Negotiations with both Native Title and owners/occupiers in respect of native title, cultural heritage and access issues are generally required before the Company can access land for exploration or mining activities. Inability to gain access, or delays experienced in accessing the land may impact on the Company's activities.</p>   | Sections 5.1(i) and 5.1(j) |
| <p><b>Community opposition risk:</b></p> <p>Given community opposition to certain mineral and energy projects from time to time, there is a risk of community opposition to the Company's operations. Disapproval of local communities or other interested parties may lead to direct action which impedes the Company's ability to carry out its lawful operations, resulting in project delay, reputational damage and increased costs and thus impact the financial performance of the Company.</p>   | Section 5.1(k)             |
| <p><b>Title risk:</b></p> <p>Interests in all tenements are governed by State and Commonwealth legislation and are evidenced by the granting of licenses, permits or leases. Each license, permit or lease is issued for a specific term and in some cases, carry annual or aggregate expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could be exposed to additional costs, have its ability to explore or mine the Tenements reduced or lose title to or its interest in a Tenement if the relevant conditions of grant or regulatory requirements are not met or if insufficient funds are available to meet expenditure or other compliance commitments. Exploration Tenements permit the Company to undertake only exploration. If the Company successfully delineates an economic resource on an exploration Tenement, it will need to apply for a mining lease to undertake development and mining. There is no guarantee that the Company will be granted a mining lease, if sought.</p> | Section 5.1(l)             |

| Key Information   | Further Information |
|---|---------------------|
| <p><b>Failure to Satisfy Expenditure Commitments:</b></p> <p>Each exploration permit or licence carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in an exploration Tenement if these permit conditions are not met or if insufficient funds are available to meet expenditure commitments.</p>   | Section 5.1(m)      |
| <p><b>Crown Land:</b></p> <p>There may be restrictions imposed on the Tenements on Crown land that make access to parts of them unavailable to the Company, regardless of their potential economic value.</p>   | Section 5.1(n)      |
| <p><b>Environmental Risks:</b></p> <p>The Company's exploration programs and development activities expose the Company to liability for environmental damage.</p>   | Section 5.1(o)      |
| <p><b>Rehabilitation Risks:</b></p> <p>In relation to the Company's proposed operations, issues could arise from time to time with respect to abandonment costs, rehabilitation, consequential clean-up costs, environmental concerns and other liabilities. In these instances, the Company may become subject to liability if, for example, there is environmental pollution or damage from the Company's exploration activities and there are consequential clean-up costs at a later point in time.</p>   | Section 5.1(p)      |
| <p><b>Transportation of fuel:</b></p> <p>Should the Company develop its Julia Creek Project into production, the transport of hydrocarbon fuel from the project will involve risks, multiple parties and rely on specialised equipment. Any failure of risk management procedures in the Company's supply chain could lead to injury to persons or property, financial and reputational loss for the Company and impact adversely on its regulatory approvals.</p>  | Section 5.1(q)      |
| <p><b>Operating Risks:</b></p> <p>The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in exploration or mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts and plant and equipment.</p> | Section 5.1(r)      |
| <p><b>Development risk:</b></p> <p>The Company's development projects may be delayed or be unsuccessful for many reasons, including unanticipated financial, operational or regulatory events, cost overruns and in relation to the Company's Julia Creek Project, decline in petroleum prices or demand, equipment and labour shortages, technical concerns including with respect to the hydrogenation process which has not been demonstrated at scale. Risks</p>  | Section 5.1(s)      |

| Key Information  | Further Information |
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| <p>include access to water and other infrastructure, power sources, deliverability difficulties, transport fuel quality, increases in operational cost structures, contractual issues with securing sales contracts for petroleum products or with engineering procurement and construction contracts, changes in construction costs, design requirements and delays in construction.</p>  |                     |
| <p><b>Project cost control:</b></p> <p>Execution of the Company's exploration and development activities requires an appropriate framework of internal controls including obtaining robust project cost estimates, ensuring investment decisions are supported by the appropriate financial analysis and that appropriate procedures are in place to ensure work is executed on time and on budget. Failure to implement these controls effectively could mean that long term funding decisions for the business are incorrect and the Company's ability to deliver on its plans within specified timeframes are compromised.</p>  | Section 5.1(t)      |
| <p><b>Production risk:</b></p> <p>Should the Company's Julia Creek project be brought into production, it will be subject to a variety of risks and hazards. Such occurrences may delay production, increase production costs or result in damage to and destruction of property or production facilities, personal injury, environmental damage and legal liability. There is a risk that capital and/or operating costs will be higher than expected or there will be other unexpected changes in variables upon which expansion and commissioning decisions were made. Mechanical failure of the Company's operating plant and equipment, and general unanticipated operational and technical difficulties may adversely affect its operations.</p> | Section 5.1(v)      |
| <p><b>Commodity market and exchange rate risks:</b></p> <p>Commodity prices are subject to global supply and demand fluctuations. These fluctuations in supply and demand may lead to lower commodity prices, which in turn will have an impact on the Company's finances as well as the potential viability of its projects and the value of the Company's Securities. The value of the Company's assets and potential earnings may be affected by fluctuations in commodity prices generally and exchange rates in which most commodities are traded, such as the USD and AUD denominated commodity prices and the AUD/USD exchange rate.</p>  | Section 5.1(u)      |
| <p><b>Reliance on Key Personnel:</b></p> <p>The Company depends substantially on its senior management and its key personnel, whose loss may cause detriment to the Company if they are not successfully replaced.</p>   | Section 5.1(w)      |
| <p><b>Climate Change risk:</b></p> <p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly relevant to the Company include emergence of new or expanded regulations, certain physical and environmental risks and adverse weather events.</p>  | Section 5.1(aa)     |
| <p><b>Other risks:</b></p> <p>The Company faces other risks, including:</p>  | Section 5.1         |

| Key Information  | Further Information |
|--|---------------------|
| (a) metallurgy risks;<br>(b) agents and contractors;<br>(c) State royalties changes;<br>(d) changes in government policy;<br>(e) competition;<br>(f) new projects and acquisitions risks;<br>(g) health and safety risks;<br>(h) risk of adverse regulatory changes;<br>(i) risk of adverse taxation changes;<br>(j) insurance response and cover risks; and<br>(k) risk of potential future litigation. |                     |
| In addition, like all companies, the Company may be adversely affected by general risks, including:  |                     |
| <b>Investment and share market risk:</b><br>Prices of the Company's Shares may rise and fall as a result of factors beyond the control of the Company and may trade for a price lower than the Offer Price.  | Section 5.2(b)      |
| <b>Economic risk:</b><br>General economic conditions may adversely impact the value of the Company and its Securities.   | Section 5.2(a)      |
| <b>Force majeure:</b><br>Events beyond the Company's control may adversely impact the Company and its operations.  | Section 5.2(d)      |
| <b>Other General risks:</b><br>Other general risks include:<br>(a) government and legal risk;<br>(b) changes to accounting standards;<br>(c) taxation changes;<br>(d) unforeseen expenditure risk;<br>(e) changes to legislation or regulations; and<br>(f) unforeseen risks.  | Section 5.2         |
| <b>Further information</b>   |                     |
| <b>How can I obtain further information?</b><br>Shareholders with registered addresses in Australia or New Zealand can obtain a copy of this Prospectus during the Offer Period by emailing the Company during business  |                     |



| Key Information  | Further Information |
|--|---------------------|
| <p>hours.</p> <p>If you access the electronic version of this Prospectus, you should ensure that you download and read the entire Prospectus and that you have received the entire Prospectus accompanied by the relevant Entitlement and Acceptance Form.</p> |                     |

## 2. Details of the Offer

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### 2.1 Is the Offer underwritten?

The Offer is lead managed and partly underwritten by Mahe Capital up to \$1,600,000, with \$984,394 sub-underwritten by Directors and a former Director as set out in Section 4.4. The terms of the Underwriting Agreement and sub-underwriting agreements are set out in Section 7.1.

### 2.2 Entitlement Offer

The Company is making an offer to all Eligible Shareholders to participate in a pro rata renounceable entitlement offer to raise up to \$3,027,834 (before costs) by the issue of up to 43,254,775 New Shares. The Entitlement Offer will be determined on the basis of 1 New Share for every 3.5 Shares held by Eligible Shareholders at the Record Date at an issue price of \$0.07 each and otherwise on the terms and conditions contained in this Prospectus (**Entitlement Offer**).

As at the date of this Prospectus, the Company has 151,391,712 existing Shares on issue. Assuming no Existing Options are exercised prior to the Record Date (and subject to Entitlement rounding up) the Entitlement Offer is for a maximum of 43,254,775 New Shares to raise up to \$3,027,834 (before costs), with 1 free attaching New Option (expiring 30 September 2026 and exercisable at \$0.14) for every 2 New Shares subscribed for.

The purpose of the Entitlement Offer is to provide the Company with additional funds to be applied as set out in Section 4.1.

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of a Share, such fraction will be rounded up to the nearest whole Share.

New Shares issued under the Entitlement Offer will be issued as fully paid ordinary shares and will rank equally in all respects with existing Shares on issue.

Summaries of the rights and liabilities attaching to New Shares and New Options are set out in Sections 6.1 and 6.2 respectively.

### 2.3 Shortfall Offer component

#### Terms

The Offer includes an offer (**Shortfall Offer**) to Eligible Shareholders who have subscribed for their full Entitlement, to apply for additional New Shares (**Shortfall Shares**) and attaching free New Options not subscribed for by other Shareholders pursuant to their Entitlements, at the same Issue Price as the Entitlement Offer and also with 1 free attaching New Option (expiring 30 September 2026 and exercisable at \$0.14) for every 2 Shortfall Shares subscribed for.

Shortfall Shares issued under the Shortfall Offer will be issued as fully paid ordinary shares and will rank equally in all respects with existing Shares on issue. Summaries of the rights and liabilities attaching to New Shares and New Options are set out in Sections 6.1 and 6.2 respectively.

Shortfall Shares will only be issued pursuant to the Shortfall Offer if the Entitlement Offer is undersubscribed and will only be issued to the extent necessary to make up any shortfall in subscriptions.

Eligible Shareholders who have subscribed for their full Entitlement can subscribe for additional Shortfall Shares by following the instructions set out in Section 3.4.

#### Allocation policy

The Directors reserve the right to allocate Shortfall Shares in their absolute discretion, in consultation with Mahe Capital. Accordingly, there is no guarantee that any applications under the Shortfall Offer will be successful. In exercising this discretion, the Board will take into consideration a number of factors, including the Company's best interests, the Applicant's existing shareholdings, the extent to which an Applicant has sold or bought shares in the Company before and after both the announcement of the Entitlement Offer and the Record Date, the financial needs of the Company, and the optimal composition of the Company's register following the Offer.

It is a term of the Shortfall Offer that should the Company scale back applications for Shortfall Shares thereunder, the Applicant will be bound to accept such lesser number allocated to it. There is no guarantee that Applicants will receive Shortfall Shares applied for. The Directors reserve the right to issue to an Applicant a lesser number of Shortfall Shares than the number for which the Applicant applies, or to reject an Application, or to not proceed with the Shortfall Offer component at all. In that event, Application Monies for Shortfall Shares will be refunded by the Company (without interest) in accordance with the provisions of the Corporations Act.

In relation to the application of Corporations Act controls on Shareholders exceeding 20% voting power in the Company as a result of participation in the Offer and reliance on the Rights Issue Exception from takeover rules, refer to Section 4.4(c).

#### 2.4 **Shortfall Placement**

The Directors reserve the right to make offers of New Shares not taken up under the Offer to new investors as contemplated in ASX Listing Rule 7.2 Exception 3, applying the allocation policy described in Section 2.3.

#### 2.5 **Rights trading**

Entitlements under the Entitlement Offer are renounceable. Accordingly, you may trade your Entitlements to subscribe for New Shares on the ASX or otherwise. If you do not take up your Entitlement by the Closing Date, your Entitlement will lapse.

Trading of Entitlements on ASX is expected to occur in accordance with the Timetable.

For more information, refer to Section 3.

#### 2.6 **Opening and Closing Dates**

The Company will accept Applications from the Opening Date until 5:00pm (AEST) on the Closing Date or such other date as the Directors in their absolute discretion may determine, subject to the requirements of the Listing Rules, the Corporations Act and the Underwriting Agreement.

#### 2.7 **Costs of the Offer**

The Company estimates the cash costs of the Offer to be approximately \$226,200 (based on full subscription). In this regard, refer to Section 7.10.

## 2.8 Fees and Commissions

The Company has assumed contractual obligations to pay any fees or commissions in respect of any funds raised under this Prospectus, as set out in Section 7.1.

## 2.9 Is there a minimum subscription?

There is no minimum subscription to the Offer.

## 2.10 Issue Date and dispatch

All New Shares (including Shortfall Shares) under the Offer are expected to be issued on or before the date specified in the Timetable.

Security holder statements will be dispatched at the end of the calendar month following the issue of the New Shares (and New Options) under the Offer.

It is the responsibility of Applicants to determine their allocation prior to trading in the New Shares and/or New Options. Applicants who sell New Shares and/or New Options before they receive their holding statements do so at their own risk.

## 2.11 Application Monies held on trust

All Application Monies received for New Shares under the Offer will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the New Shares and New Options are issued. All Application Monies will be returned (without interest) if the New Shares and attaching New Options are not issued.

## 2.12 Withdrawal and Cooling-Off Rights

Cooling off rights do not apply to an investment in New Shares (and attaching New Options) under the Offer. You cannot withdraw your payment once it has been accepted unless permitted to do so in accordance with the Corporations Act.

The Directors may at any time decide to withdraw this Prospectus and the Offer, in which case, the Company will return all Application Monies (without interest) in accordance with the Corporations Act.

## 2.13 Eligibility of Shareholders

The Offer is made to Eligible Shareholders only. Eligible Shareholders are Shareholders on the Record Date who have a registered address in Australia or New Zealand or who are Shareholders that the Company has otherwise determined are eligible to participate.

## 2.14 Foreign Jurisdictions

### (a) General

This Prospectus, and any accompanying Entitlement and Acceptance Form do not, and are not intended to, constitute an offer of Securities 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 or the Securities under the Offer.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and

observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Shareholders (including Ineligible Foreign Shareholders) and potential investors with a registered address outside Australia or New Zealand should consult their professional advisers as to whether any governmental or other consents are required, or other formalities need to be observed to enable them to accept or deal with their Entitlement. The return of a completed Entitlement and Acceptance Form from a Shareholder or potential investor with a registered address outside Australia or New Zealand will be taken by the Company to constitute a representation and warranty by that Shareholder or potential investor that all relevant approvals have been obtained and that the Company may legally issue the New Shares and attaching New Options to that Shareholder or potential investor.

(b) New Zealand offer restrictions

The New Shares and attaching New Options are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand at the Record Date to whom the offer of New Shares (and attaching New Options) is being made in reliance on the transitional provisions of the *Financial Markets Conduct Act 2013* (New Zealand) and the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand).

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority. This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

## 2.15 Ineligible Foreign Shareholders

The Company believes that it is unreasonable to extend the Offer to Ineligible Foreign Shareholders. The Company has formed this view having considered:

- (a) the number and value of the Securities that would be offered to those Shareholders; and
- (b) the cost of complying with the legal requirements and the requirements of regulatory authorities in the overseas jurisdictions.

### Appointment of Nominee under ASX Listing Rule 7.7

Pursuant to ASX Listing Rule 7.7, the Company has appointed Mahe Capital as nominee to sell the Entitlements to which Ineligible Shareholders are entitled.

Refer to Sections 2.13, 2.14 and 2.15 for additional information.

### Appointment of Nominee under Corporations Act

Pursuant to section 615 of the Corporations Act, the Company has also appointed Mahe Capital as nominee to sell the Entitlements to which Ineligible Shareholders are entitled. The nominee will have the absolute and sole discretion to determine the timing and price at which the Entitlements may be sold and the manner of any such sale. The Company is seeking ASIC approval for the appointment of Mahe Capital as nominee, as required by section 615 of the Corporations Act.

The proceeds of the sale of these Entitlements will firstly be applied against expenses of such sale, including brokerage, and any balance will accrue to the relevant Ineligible Shareholders as described below.

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

Notwithstanding that the nominee must sell Entitlements, Ineligible Shareholders may nevertheless receive no net proceeds if the costs of the sale are greater than the sale proceeds. In this regard, the nominee will not be required to sell Ineligible Shareholders' Entitlements at a particular price.

## 2.16 **Notice to nominees and custodians**

Nominees and custodians that hold Shares should note that the Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

## 2.17 **Market price of Shares**

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

Lowest: \$0.11 on 27 August 2024

Highest: \$0.15 on 1 July 2024

The latest closing market sale price of the Shares on the ASX prior to the date of lodgement of this Prospectus with ASIC was \$0.13 per Share at close of the market on 20 September 2024.

## 2.18 **Risk factors**

An investment in Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are certain specific risks associated with an investment in the Company which are detailed in Section 5.

## 2.19 **Taxation implications**

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Shares and attaching New Options under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for Shares under this Prospectus.

## 2.20 **Major activities and financial information**

A summary of the major activities and financial information relating to the Company, for the year ended 30 June 2023, can be found in the Company's Annual Report released on the ASX on 27 September 2023 and, for the half-year ended 31 December 2023, the Half Year Report and Accounts announced on the ASX on 14 March 2024. The Company's continuous disclosure notices (i.e. ASX announcements) since 27 September 2023 are listed in Section 7.4. Copies of

these documents are available free of charge from the Company. The Directors strongly recommend that Applicants review these and all other announcements prior to deciding whether or not to participate in the Offer.

## 2.21 **Privacy**

The Company collects information about each Applicant for the purposes of processing the Acceptance and, if the Acceptance is successful, to administer the Applicant's Shareholding in the Company.

By making an Application, each Applicant agrees that the Company may use the information provided by an Applicant for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required, the Company may not be able to accept or process your Acceptance or Application (as applicable).

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

## 2.22 **ASX quotation**

Application has been or will be made for the official quotation of the New Shares offered by this Prospectus.

If permission is not granted by ASX for the official quotation of the New Shares offered by this Prospectus within three months after the date of this Prospectus (or such period as the ASX allows), the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

## 2.23 **CHESS**

The Company participates in the Clearing House Electronic Sub-register System, known as CHESS. ASX Settlement Pty Limited, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Securities.

If you are broker sponsored, ASX Settlement Pty Limited will send you a CHESS statement. The CHESS statement will specify the number of New Shares and New Options issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Securities.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time; however, a charge may be made for additional statements.

If you are registered on the Issuer Sponsored sub-register, your statement will be despatched by the Share Registry and will contain the number of New Shares and New Options issued to you under this Prospectus and your security holder reference number.

## 3. Action required by Shareholders

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### 3.1 Action in relation to the Offer

Eligible Shareholders may

- (a) accept all of their Entitlement (refer to Section 3.2);
- (b) accept part of their Entitlement (refer to Section 3.3);
- (c) if they have applied for their full Entitlement, also apply for Shortfall Shares (and attaching New Options) in excess of their Entitlement pursuant to the Shortfall Offer (refer Section 3.4);
- (d) sell part or all of their Entitlement on the ASX (refer to Section 3.5);
- (e) deal with part or all of their Entitlement other than on the ASX (refer to Section 3.6); or
- (f) allow all or part of their Entitlement to lapse (refer to Section 3.7).

### 3.2 Eligible Shareholders wishing to Accept their Entitlement in full

Your Entitlement to participate in the Offer will be determined on the Record Date.

The number of New Shares to which you are entitled is shown on the accompanying Entitlement and Acceptance Form.

For instructions on how to pay by BPAY® or EFT (where indicated as available on the Entitlement and Acceptance Form), refer to Section 3.8 below. For instructions on payment by cheque or bank draft, refer to Section 3.9 below.

### 3.3 Eligible Shareholders wishing to take up only part of their Entitlement

Should you wish to only take up part of your Entitlement under the Entitlement Offer and you are paying by BPAY® or EFT (where indicated as available on the Entitlement and Acceptance Form), you are not required to submit the personalised Entitlement and Acceptance Form, but are taken to make the statements on that form. For instructions on how to pay by BPAY® and EFT, refer to Section 3.8 below.

Should you wish to only take up part of your Entitlement under the Entitlement Offer and you are *not* paying by BPAY® or EFT, then applications for New Shares under the Entitlement Offer must be made on the personalised Entitlement and Acceptance Form which accompanies this Prospectus in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully and complete the Entitlement and Acceptance Form by filling in the details in the spaces provided, including the number of New Shares you wish to accept and the amount payable (calculated at \$0.07 per New Share), and attach a cheque, bank draft or money order for the appropriate Application Monies.

For instructions on payment by cheque or bank draft, refer to Section 3.9 below.

Applications will be deemed not to have been received until the Company is in receipt of cleared funds.



### 3.4 **Eligible Shareholders wishing to participate in the Shortfall Offer**

If you wish to apply for Shares in excess of your Entitlement by applying for additional Shortfall Shares, you may do so by applying for them by BPAY® or EFT (where indicated as available on the Entitlement and Acceptance Form) and you are not required to submit the personalised Entitlement and Acceptance Form, but are taken to make the statements on that form.

For instructions on how to pay by BPAY® or EFT refer to Section 3.8 below.

Should you wish to apply for Shortfall Shares and you are *not* paying by BPAY® or EFT, please complete the relevant separate section of the Entitlement and Acceptance Form which accompanies this Prospectus in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Any Shortfall Shares applied for in excess of your Entitlement will be issued in accordance with the allocation policy described in Section 2.4.

For instructions on payment by cheque or bank draft, refer to Section 3.9 below.

### 3.5 **Eligible Shareholders wishing to sell all or part of their Entitlement on the ASX**

Eligible Shareholders wishing to sell all or part of their Entitlement on the ASX must provide instructions to their stockbrokers regarding the Entitlement they wish to sell on the ASX.

Trading of Entitlements will commence and end on the dates respectively set out in the Timetable.

The Company does not guarantee that an Eligible Shareholder will be able to sell all or any part of their Entitlement on the ASX or that any particular price will be paid for the Entitlements sold on the ASX.

### 3.6 **If you wish to sell all or part of your Entitlement under the Entitlement Offer other than on the ASX**

Eligible Shareholders wishing to sell all or part of their Entitlement other than on the ASX, who hold Shares on the Issuer Sponsored Register:

- (a) who wish to transfer all or a proportion of their Entitlement to another person other than on the ASX, must complete the standard renunciation and transfer form (obtainable from the Company's share registry) by filling in the details in the spaces provided and attaching a cheque, bank draft or money order for the amount (if any) indicated on the standard renunciation and transfer form; and
- (b) must ensure that the purchaser would be an Eligible Shareholder if they held Shares on the Record Date; and
- (c) must ensure that completed standard renunciation and transfer forms are accompanied by a cheque, bank draft or money order in Australian dollars, crossed "Not Negotiable" and made payable to "QEM Limited" and lodged at any time after the issue of this Prospectus and on or before the Closing Date at the Share Registry.

Eligible Shareholders wishing to transfer all or a portion of their Entitlement to or from another person on the CHESS sub-register must engage their CHESS controlling participant (usually their stockbroker). If a transferee wants to exercise some or all of the Entitlement, they should follow their stockbroker's instructions as to the most appropriate way to take up the Entitlement on their behalf.

The Application Monies for Shares the transferee of the Entitlement wants to acquire must be received by the Share Registry in accordance with Sections 3.2, 3.3 or 3.4.

### 3.7 Entitlements not taken up

If you do not wish to accept any of your Entitlement, you are not obliged to do anything. The number of Shares you hold and the rights attached to those New Shares (and attaching New Options) will not be affected should you choose not to accept any of your Entitlement. However, refer to Sections 4.2, 4.3 and 4.4 in relation to potential dilution and the effect of underwriting and sub-underwriting.

### 3.8 How to Pay Via BPAY® or EFT

The price of \$0.07 per New Share or Shortfall Share (if applicable) is payable on acceptance of your Application.

If you wish to participate in the Offer you must make payment by BPAY®, EFT (where indicated as available on the Entitlement and Acceptance Form) or by cheque or bank draft.

The Company will treat Eligible Shareholders as applying for as many New Shares as their payment will pay for in full. If an Eligible Shareholder's payment will pay for more than their full Entitlement, the Company will treat the Eligible Shareholder as applying for their full Entitlement and the excess will be taken to be an application for additional Shortfall Shares under the Shortfall Offer. Any Application Monies received from Eligible Shareholders for more than their final allocation of New Shares and Shortfall Shares (if applicable) will be refunded. No interest will be paid on any Application Monies received or refunded.

Application Monies received from Eligible Shareholders will be held on trust until such time as the relevant Shares and attaching New Options are issued or the Application Monies are refunded.

To the fullest extent permitted by law, each Eligible Shareholder agrees that any Application Monies paid by them to the Company will not entitle them to any interest against the Company and that any interest earned in respect of Application Monies will belong to the Company. This will be the case, whether or not all or none (if any Offer is withdrawn) of the Shares applied for by a person are issued to that person.

For payment by BPAY® or EFT (where indicated as available on the Entitlement and Acceptance Form), please follow the instructions set out in Section 3 or on your personalised 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. If paying by BPAY®, please make sure to use the specific Biller Code and unique Reference Number which can be obtained by providing your details when prompted in your Entitlement and Acceptance Form.

If paying by EFT (where indicated as available on the Entitlement and Acceptance Form), please make sure to use the unique reference number which can be obtained by providing your details when prompted in your Entitlement and Acceptance Form.

If Eligible Shareholders have more than one holding, they will receive separate forms for each holding. If Eligible Shareholders do not use the correct Reference Number specific to that holding, or inadvertently use the same Reference Number for more than one of their holdings, their application will be recorded against the holding associated with the Reference Number they use.

Please note that when paying by BPAY® or EFT:

- (a) you do not need to submit the personalised Entitlement and Acceptance Form, but are taken to have made the statements on that form; and

- (b) if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies received.

You should be aware that your Australian financial institution branch 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 your BPAY® or EFT (where indicated as available on the Entitlement and Acceptance Form) payment is received by the Share Registry by no later than the relevant date by which funds are required to have been received.

Your BPAY® or EFT acceptance cannot be withdrawn once received. No cooling off period applies.

### 3.9 **Payments by cheque or bank draft**

Payments by cheque or bank draft must accompany the relevant Entitlement and Acceptance Form. All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "QEM Limited" and crossed "Not Negotiable". Your completed Entitlement and Acceptance Form and cheque must reach the Company's Share Registry no later than 5:00 pm (AEST) on the Closing Date.

### 3.10 **Warranties made on acceptance of an Offer**

By making payment to acquire New Shares, you will be deemed to have represented to the Company that you are an Eligible Shareholder and:

- (a) acknowledge that you have received a copy of this Prospectus and an accompanying Entitlement and Acceptance Form, and read them both in their entirety;
- (b) agree to be bound by the terms of the Offer, the provisions of this Prospectus and the Constitution;
- (c) authorise the Company to register you as the holder(s) of the New Shares and attaching New Options allotted to you;
- (d) declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- (e) declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- (f) acknowledge that once any payment of Application Monies via BPAY® or EFT is made, you may not withdraw your Application or funds provided except as allowed by law;
- (g) agree to apply for and be issued up to the number of New Shares specified in the personalised Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY® or EFT, at the Offer Price of \$0.07 per New Share, plus attaching New Options;
- (h) authorise the Company, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares and attaching New Options to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;

- (i) declare that you were the registered holder(s) at 7.00pm (AEST) on the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you at 7.00pm (AEST) on the Record Date;
- (j) acknowledge that the information contained in this Prospectus and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares or New Options are suitable for you given your investment objectives, financial situation or particular needs;
- (k) acknowledge that this Prospectus does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- (l) acknowledge the statement of risks in Section 5 and that investments in the Company are subject to risk;
- (m) acknowledge that none of the Company, nor its related bodies corporate and affiliates and their respective Directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the Company, nor do they guarantee the repayment of capital;
- (n) agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Offer and of your holding of Shares at 7.00pm (AEST) on the Record Date;
- (o) you and each person on whose account you are acting understand and acknowledge that the New Shares and New Options have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States and accordingly that the New Shares and New Options may not be offered or, sold to, persons in the United States or to persons who are acting for the account or benefit of a person in the United States except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
- (p) represent and warrant:
  - (i) that the law of any place does not prohibit you from being given this Prospectus and the personalised Entitlement and Acceptance Form and that you are otherwise eligible to participate in the Offer;
  - (ii) that you and each person on whose account you are acting are not in the United States;
  - (iii) that you have not and will not send this Prospectus, the Entitlement and Acceptance Form or any other materials relating to the Offer to any person in the United States or any other country outside Australia and New Zealand; and
  - (iv) that if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are applying for New Shares and New Options is resident in Australia or New Zealand and is not acting for the account or benefit of a person in the United States, and you have not sent this Prospectus, the Entitlement and Acceptance Form or any information relating to the Offer to any such person.

### 3.11 Brokerage

No brokerage or stamp duty is payable by Eligible Shareholders who accept their Entitlement.

## 4. Purpose and Effect of the Offer

### 4.1 Purpose of the Offer and use of funds

The Offer is being conducted to raise capital for use in accordance with the table below:

| Use of funds   | Min.<br>(Underwritten<br>Amount)<br>Raised | %           | \$ 100%<br>Entitlement<br>Take-up | %           |
|--|--|-------------|-----------------------------------|-------------|
| Completing the current test work program to optimize and refine flow sheets for commencement of a pre-feasibility study for the Company's Julia Creek Project and progression of the pre-feasibility study program | \$985,000                                  | 61%         | \$2,000,000                       | 67%         |
| Conducting environmental studies, preparing environmental impact statement terms of reference and related approvals documentation for the Julia Creek Project  | \$257,000                                  | 16%         | \$370,000                         | 12%         |
| General working capital <sup>1</sup> ; and   | \$250,000                                  | 16%         | \$385,000                         | 13%         |
| Expenses associated with the Offer <sup>2</sup>  | \$108,000                                  | 7%          | \$245,000                         | 8%          |
| <b>Total Funds allocated</b>   | <b>\$1,600,000</b>                         | <b>100%</b> | <b>\$3,000,000</b>                | <b>100%</b> |

**Notes:**

- Working capital includes the general costs associated with the management and operation of the business including administration expenses, rent and other associated costs. Working capital may also include surplus funds.
- Expenses paid or payable by the Company in relation to the Offer are set out in Section 7.9(e).

The above is a statement of current intentions at the date of this Prospectus. Intervening events 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 the funds are applied on this basis.

### 4.2 Effect of the Offer on the capital structure of the Company

The effect of the Offer will depend on the level of take-up of Entitlements (and if applicable, Shortfall Shares) by Eligible Shareholders, in light of the underwritten amount. Assuming full subscription under the Entitlement Offer and subscription only for the Underwritten Amount, the principal effect of the Entitlement Offer on the Company's capital structure and the maximum number of Securities that may be issued under the Offer are set out below.

| Securities  | Number      |
|---|-------------|
| <b>Current capital structure</b>  |             |
| Existing Shares <sup>1</sup>  | 151,391,712 |
| Existing Options <sup>2</sup>   | 6,350,000   |
| Performance Rights <sup>3</sup>   | 1,875,000   |
| <b>Securities under the Offer</b>   |             |
| Maximum New Shares to be issued pursuant to the Offer <sup>4</sup>          | 43,254,775  |
| Maximum New Options to be issued pursuant to the Offer <sup>5</sup>         | 21,627,388  |
| Maximum Underwriter Options to be issued pursuant to the Offer <sup>6</sup> | 3,027,834   |
| <b>Maximum Securities on issue after the Offer</b>                          |             |
| Shares  | 194,646,487 |
| Options <sup>6</sup>  | 30,977,388  |
| Performance Rights <sup>3</sup>   | 1,875,000   |

**Notes:**

1. The rights attaching to Shares are set out in Section 6.1.
2. These include 500,000 Options with an exercise price of \$0.20 and expiring on 1 March 2026, 5,600,000 Options with an exercise price of \$0.345 and expiring on 12 August 2025 and 250,000 Options with an exercise price of \$0.20 and expiring on 1 May 2025.
3. Comprised of 1,125,000 Performance Rights expiring on 26 August 2026 and 750,000 Performance Rights expiring on 26 August 2027.
4. Subject to rounding. The terms of issue of New Shares (ranking equally with all Existing Shares) are set out in Section 6.1
5. Subject to rounding. The terms of issue of New Options are set out in Section 6.2.
6. Subject to rounding. The terms of issue of the Underwriter Options are set out in Section 6.3.

The indicative pro-forma balance sheet showing the effect of the Offer is in Section 9.

#### 4.3 Potential dilution as a result of the Offer

##### (a) Potential dilution

The effect of the Entitlement Offer on the control of the Company will depend upon a number of factors, including the level of Shareholder participation (including both the taking up of Entitlements and applications for Shortfall Shares).

If every Shareholder were to take up their full Entitlement, there would be a minimal effect on the control of the Company on completion of the Offer, as the Entitlement Offer is made pro-rata and, in that case, there would not be any scope for any Shareholder to apply for additional Shares under the Shortfall Offer.

The Company currently has 151,391,712 Shares on issue. The maximum number of New Shares that may be issued under the Offer of 43,254,775, representing 28.57% of Shares on issue on the date of this Prospectus on an undiluted basis, and 27.09% on a fully diluted basis.

Shareholders should note that if they do not participate in the Offer, their holdings may be diluted (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). The maximum dilution that may occur is 28.57%.

Examples of how the dilution may impact Shareholders who do not take up their Entitlements are set out in the table below:

| Holder        | Holding as at Record Date | % at Record Date | Entitlement | Holding if Entitlement Offer not taken up | % Holding if Entitlement Offer not taken up |
|---------------|---------------------------|------------------|-------------|---|---|
| Shareholder 1 | 43,440,447                | 28.69%           | 12,411,557  | 43,440,447                                | 22.32%                                      |
| Shareholder 2 | 7,064,643                 | 4.67%            | 2,018,470   | 7,064,643                                 | 3.63%                                       |
| Shareholder 3 | 5,000,000                 | 3.30%            | 1,428,572   | 5,000,000                                 | 2.57%                                       |
| Shareholder 4 | 4,000,000                 | 2.64%            | 1,142,858   | 4,000,000                                 | 2.06%                                       |
| Shareholder 5 | 1,800,000                 | 1.19%            | 514,286     | 1,800,000                                 | 0.92%                                       |

**Note:** The above table also assumes that no other Shares are issued or equity securities converted into Shares prior to the Record Date and that all Entitlements are taken up.

The dilution effect shown in the table above is the maximum percentage on the assumption that those Entitlements not accepted are subscribed for under the Shortfall Offer. If all Entitlements are not accepted and some or all of the resulting shortfall is not subsequently taken up, the dilution effect of the Offer for each Shareholder not accepting their Entitlement, will be less.

Assuming all New Options offered pursuant to this Prospectus are issued and exercised into Shares, Shareholders who do not participate in the Offer may be diluted by a further 14.29% (as

compared to their holdings and number of Shares on issue as at the date of the Prospectus and in addition to the 28.57% represented by the New Shares under the Offer).

Ineligible Shareholders will have their holdings diluted by the Offer.

(b) Foreign Ineligible Shareholders

As the Entitlement Offer is renounceable, the Company will, in accordance with ASX Listing Rule 7.7, appoint Mahe Capital to arrange for the sale of Entitlements that would have been given to Ineligible Shareholders and to account to them for the net proceeds of the sale. The Company has also applied for registration of Mahe Capital as nominee for Ineligible Shareholders under section 615 of the Corporations Act.

Refer to Sections 2.14 and 2.15 for further information.

#### 4.4 Effect of underwriting on control of the Company

(a) Substantial Shareholders

As at the date of this Prospectus, the Company had the following substantial Shareholders (being Shareholders with a Voting Power in 5% or more of the Shares on issue):

| Shareholder                          | Shares     | Voting Power | Options   |
|--------------------------------------|------------|--------------|-----------|
| David Fitch <sup>1</sup>             | 44,219,693 | 29.2%        | 1,000,000 |
| Gavin and Tracey Loyden <sup>2</sup> | 20,730,690 | 13.7%        | 2,000,000 |

**Notes:**

1. Mr David Fitch is a sub-underwriter of the Offer to \$884,393, representing 12,634,186 Shares. He currently holds 44,219,693 shares. Refer to Section (b) for more information.
2. Held through controlled entities.

(b) Underwriting and sub-underwriting

Mahe Capital has agreed to underwrite the Entitlement Offer up to \$1,600,000, representing 22,857,143 Shares, being 15.1% of current Shares on issue as at the date of this Prospectus. However, that amount and resulting New Shares that may be taken up by Mahe is reduced by the dispersion to sub-underwriters described below.

Mahe Capital does not currently hold any securities in the Company.

The tables below illustrates the maximum potential Voting Power of the Underwriter and each sub-underwriter may acquire as a result of the Offer.

The Underwriter:

|              | Current Shares | Current Voting Power | Net Amount Underwritten <sup>1</sup> | Shares                 | Max Shares             | Max. Voting Power <sup>2</sup> |
|--------------|----------------|----------------------|--------------------------------------|------------------------|------------------------|--------------------------------|
| Mahe Capital | 0              | 0                    | \$615,607                            | 8,794,386 <sup>1</sup> | 8,794,386 <sup>1</sup> | 5.05%                          |

**Note:**

1. Based on the underwriting commitment of \$1,600,000 less the \$984,393 aggregate sub-underwriting commitment.
2. Assumes no Entitlement uptake other than by the Underwriter and sub-underwriters up to the underwritten amount, resulting in there being 173,772,170 Shares on issue at close of the Offer and assuming that no Existing Options are exercised during the Offer Period.

Sub-Underwriters:

|                           | Current Shares | Current Voting Power | Net Amount Underwritten | Shares     | Max Shares | Max. Voting Power <sup>1</sup> |
|---------------------------|----------------|----------------------|-------------------------|------------|------------|--------------------------------|
| Tim Wall                  | 100,000        | 0.1%                 | \$25,000                | 357,143    | 457,143    | 0.26%                          |
| Gavin Loyden <sup>2</sup> | 20,730,690     | 13.7%                | \$25,000                | 357,143    | 21,087,833 | 12.10%                         |
| Tony Pearson              | -              | -                    | \$25,000                | 357,143    | 357,143    | 0.20%                          |
| Daniel Harris             | -              | -                    | \$25,000                | 357,143    | 357,143    | 0.20%                          |
| David Fitch <sup>3</sup>  | 44,219,693     | 29.2%                | \$884,393               | 12,634,186 | 56,853,879 | 32.63%                         |

**Note:**

1. Assumes no Entitlement uptake other than by the Underwriter and sub-underwriters up to the underwritten amount, resulting in there being 174,248,855 Shares on issue at close of the Offer and assuming that no Existing Options are exercised during the Offer Period.
2. Mr Gavin Loyden's (through controlled entities) Entitlement is 5,923,055 Shares. If he takes up his full Entitlement, his interest in the Company's Shares may rise to a maximum of 26,653,745 Shares. Should only he accept any Entitlement under the Offer, the Underwriter and remaining sub-underwriters would be correspondingly reduced (pro rata) from the maximum Voting Power in the table above and Mr Loyden's Voting Power may, in that scenario, increase to a maximum of 15%. While Mr Loyden has not indicated that he intends to take up more than his sub-underwriting commitment, to the extent that he takes up his Entitlement, it will be applied firstly to his sub-underwriting obligation.
3. Mr Fitch's sub-underwriting commitment is equal to his Entitlement.

The table above illustrates that the maximum voting power that the Underwriter and each sub-underwriter may acquire should no Shareholders (other than those who are sub-underwriting) take up any Entitlements.

Refer to Section 5.1 in relation to David Fitch's voting power in the Company.

(c) Corporations Act - Takeover Control

Section 606(1) of the Corporations Act prohibits a person, unless an exception applies, from increasing their voting power in the Company:

- (i) from 20% or below to above 20%; or
- (ii) from a starting point of above 20% and below 90%.

Section 711 of the Corporations Act provides for exceptions to the above prohibition, notably:

- (iii) Section 711 Item 10 provides for an exception in cases of rights issues (**Rights Issue Exception**); and
- (iv) Section 711 Item 13 provides an exception for underwriters and sub-underwriters (**Underwriter Exception**).

The Offer, combined with the appointment of Mahe under section 615 of the Corporations Act, complies with both the Rights Issue Exception and the Underwriter Exception.

Accordingly, when an Eligible Shareholder applies for some or all of their Entitlement or additional Shortfall Shares under the Shortfall Offer, they are permitted to increase their voting power:

- (i) from 20% or below 20% to above 20%; and
- (ii) from a starting point of above 20% and below 90%,



as a result of participating in the Offer without breaching section 606(1) of the Corporations Act and without any Shareholder approvals being required.

The Underwriter and sub-underwriters will rely on the Underwriter Exception to the extent necessary.

#### 4.5 **Effect of the Offer on the Company's financial position**

Detailed in Section 9, to demonstrate the indicative impact of the Offer on the financial position of the Company, is an unaudited Pro Forma Statement of Financial Position.

The Company's reviewed Statement of Financial Position as at 31 December 2023 has been used for the purposes of preparing the unaudited Pro Forma Statement of Financial Position and adjusted to reflect pro forma assets and liabilities of the Company as if completion of the Offer had occurred by 31 December 2023.

The unaudited Pro Forma Statement of Financial Position is presented as:

- (i) The underwritten amount the Entitlement Offer (\$1.6 million) is taken up; and
- (ii) Full subscription.

The unaudited Pro Forma Statement of Financial Position is presented in an abbreviated form. It does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial statements.

The key assumptions on which the unaudited Pro Forma Statement of Financial Position in Section 9 are based are as follows:

- (b) the Pro Forma Statement of Financial Position has not been audited or reviewed and does not include any other expenditure of the proceeds other than costs of the Offer of approximately \$226,200 (on a full subscription basis) (refer to Section 7.10); and
- (c) the unaudited effects of the Offer, being at full subscription of the Offer, the issue of approximately 43,254,775 New Shares at \$0.07 each and 21,627,388 New Options (subject to rounding and assuming that no Existing Options are converted before 7.00pm (AEST) on the Record Date).

## 5. Risk Factors

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Activities by the Company and its controlled entities, as in any business, are subject to risks, which may impact on the Company's future performance. The Company and its controlled entities have implemented appropriate strategies, actions, systems and safeguards for known risks, but some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing investment in the Company. Shareholders should carefully consider the following factors in addition to the other information presented in this Prospectus and the Company's public information.

### 5.1 Risks specific to the Company

#### (a) Control risk

Mr Fitch, a sub-underwriter of the Offer (see Section 4.4) is currently the largest Shareholder of the Company and has a relevant interest in approximately 29.2% of the Shares in the Company. Should no Shareholders (other than those who are sub-underwriters) take up their Entitlements, as set out in Section 4.4, Mr Fitch's voting power in the Company may increase to 32.71% (refer to Section 4.4(b)) as a result of the Offer.

Mr Fitch's significant interest in the capital of the Company means that he is in a position to potentially influence the financial decisions of the Company, and his interests may not align with those of all other Shareholders.

Mr Fitch's current relevant interest in more than 25% of the Company means that he has the potential to prevent a special resolution from being passed by the Company (such resolution requiring at least 75% of the votes cast by members entitled to vote on the resolution). Special resolutions are required to approve certain Company matters including seeking the delisting of the Company, amending the Constitution, approving the voluntary winding up of the Company and, if at any time the share capital of the Company is divided into different classes of Shares, approving the variation of the rights attached to any such class.

#### (b) Potential for dilution

In addition to potential impacts set out in Section 4.3, Shareholders should note that if they do not participate in the Offer, their holdings may be diluted by approximately 28.57% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus). No immediate dilution will occur as a result of the issue of New Options under this Prospectus. However subsequent exercise of any or all of the New Options will result in dilution. Assuming all New Options offered pursuant to this Prospectus are issued and exercised into Shares, Shareholders may be diluted by approximately 42.86% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). It is not possible to predict what the value of the Company, a Share or an Option will be following the completion of the Offer and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.13 is not a reliable indicator as to the potential trading price of Shares after close of the Offer.

(c) **Additional requirements for capital**

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

(d) **Funding risk**

The Company has implemented a funding strategy involving raising additional capital to meet its immediate and near-term capital requirements. If the Company requires access to further funding in the future, there can be no assurance that additional funds will be available either at all or on terms and conditions which are commercially acceptable to the Company. If the Company is unable to obtain such additional capital, it may be required to reduce the scope of its anticipated activities or sell down assets, which could adversely affect its business, financial condition and operating results.

(e) **Technical studies risk**

Subject to the results of exploration and testing programs to be undertaken, the Company may, in addition to recent technical studies, undertake further technical studies on its projects. These studies may include scoping, pre-feasibility and feasibility studies.

These studies will be completed 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 the results of other studies undertaken by the Company (e.g. the results of a feasibility study) may materially differ from the results of a scoping study).

Even if a study confirms the economic viability of a project, there can be no guarantee that relevant projects will be successfully brought into production as assumed or within the estimated parameters in the relevant 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 the required funds.

(f) **Metallurgy risks**

In the event that an exploration project proceeds to a development and extraction phase, metal and/or mineral recoveries are dependent upon the metallurgical process that is required to liberate economic minerals and produce a saleable product which by nature involves elements of significant risk, such as:

- (i) successfully identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;
- (ii) successfully developing an economic process route to produce a metal and/or concentrate; and
- (iii) dealing with changes in mineralogy in the mineral deposit that can result in inconsistent metal recovery, affecting the economic viability of the project.

(g) **Resource estimation risks**

Current and future mineral resources or reserves estimates are an expression of judgment based on knowledge, experience and industry practice. Estimates which are valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, current and future estimates may change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

(h) **Exploration and development risk**

There can be no assurance that exploration (or where appropriate, further exploration) of current and future acquired Tenements will result in the discovery of an economic mineral deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can ultimately be economically exploited.

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 performance.

Mineral exploration and development is a speculative and high-risk undertaking that may be impeded by circumstances and factors beyond the control of the Company. Success in this process involves, among other things:

- (i) discovery and proving-up, or acquiring, an economically recoverable mineral resources or reserves;
- (ii) access to adequate capital throughout the acquisition/discovery and project development phases;
- (iii) securing and maintaining title to mineral exploration projects;
- (iv) obtaining required development consents and approvals necessary for the acquisition, mineral exploration, development and production phases; and
- (v) accessing the necessary experienced operational staff, appropriate financial management and recruiting skilled contractors, consultants and employees.

There can be no assurance that exploration activities on current or future Tenements will result in the discovery of an economic mineral resource. Even if an apparently viable mineral resource is identified, there is no guarantee that it can be economically exploited.

(i) **Native Title and Aboriginal Heritage**

Where Native Title does or may exist over any of the Company's Tenements, the ability of the Company to convert such Tenement or part thereof into a valid mining lease (for example in the event of the Company making a discovery) will be subject to the Company reaching a commercial agreement with the holders of or applicants for Native Title or on the Company obtaining a determination from the National Native Title Tribunal that the mining lease be granted in the absence of such an agreement. The negotiation of such a commercial agreement or proceedings in the courts could materially delay the grant of such a mining lease and substantially add to the Company's costs; failure to reach such an agreement or obtain such a determination could result in the Company being unable to obtain a mining lease.

Irrespective of whether Native Title exists in the relevant areas, in order to conduct exploration activities on the Tenements, the Company will usually need to undertake clearance activities in conjunction with the appropriate Aboriginal parties, anthropologists and archaeologists to ascertain whether any sites of cultural significance to Aboriginal parties exist in the relevant areas. Undertaking and completing such site clearance procedures can cause delays to the implementation of exploration activities. Delays in completing such clearance activities can impede or prevent the Company from satisfying the minimum expenditure conditions on the relevant Tenements, with the result that the Company may in some instances need to seek whole or partial exemptions from expenditure under the relevant Mining Law in order to keep the relevant Tenements in good standing. There is no certainty that such exemptions will be granted in all instances.

Where such significant sites do exist, the Company's ability to conduct exploration on those areas may be subject to obtaining relevant consents under the Aboriginal Heritage laws.

(j) **Land access and compensation**

There is a substantial level of regulation and restriction on the ability of exploration and mining companies to gain access to land in Australia. Negotiations with both Native Title parties and landowners/occupiers are generally required before the Company can access land for exploration or mining activities. Investors should be aware that any delay in obtaining agreement in respect of compensation due to landholders whose land comprises the Tenements may adversely impact or delay the Company's ability to carry out exploration or mining activities on its Tenements.

(k) **Community opposition risk**

Given community opposition to certain mineral and energy projects from time to time, there is a risk of community opposition to the Company's operations. Disapproval of local communities or other interested parties may lead to direct action that impedes the Company's ability to carry out its lawful operations, resulting in project delay, reputational damage and increased costs and thus impact the financial performance of the Company. Such action by community opposition may include undertaking legal proceedings, media campaigns and protests.

(l) **Title and Tenure**

Interests in the Company's Tenements are governed by State and Commonwealth legislation and are evidenced by the granting of licenses, permits or leases. Each license, permit or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Failure to comply with these conditions may result in forfeiture of the Company's Tenement or Tenements.

Further, the Company's Tenements will be subject to periodic renewal. While there is no reason to believe such renewals will not be granted, the Company cannot guarantee this will occur. New conditions may also be imposed on the tenements under the renewal process which may adversely affect the Company.

Consequently, the Company could be exposed to additional costs, have its ability to explore, develop or mine its Tenements reduced or lose title to or its interest in the Tenements if license conditions are not met or if insufficient funds are available to meet expenditure commitments.

The Company also cannot give any assurance that title to such Tenements will not be challenged or impugned. Accordingly, there is a residual risk that, despite the Company's investigations, the Tenements may be subject to prior unregistered agreements or

transfers, or title may be affected by unregistered encumbrances, third party interests or defects.

(m) **Failure to Satisfy Expenditure Commitments**

Each exploration permit carries with it annual expenditure and reporting commitments and additional conditions requiring compliance. Consequently, the Company could lose title to or its interest in a Tenement if the permit conditions are not met or if insufficient funds are available to meet expenditure or other regulatory commitments.

Currently, the Company's Tenements are in good standing.

(n) **Crown land and other access restrictions**

There may be restrictions imposed on the Tenements on Crown land that makes access to parts of them unavailable to the Company, regardless of their potential economic value to the Company. At this time, the Company is not aware of any impediments to access to its Tenements.

(o) **Environmental Risks**

The Company's exploration and development programs will, in general, be subject to approval by governmental authorities. Development of any of the Company's Tenements will be dependent on its projects meeting environmental guidelines and where required, being approved by governmental authorities.

The operations and proposed activities of the Company are subject to State and Federal laws and regulation concerning the environment. As with most exploration and development projects, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds.

Although it is the Company's intention to conduct its activities to the highest standard of environmental obligation, including in compliance in all material respects with relevant environmental laws, if such laws are nonetheless breached, the Company may be required to cease its operations and/or incur significant liabilities.

(p) **Rehabilitation of Tenements**

In relation to the Company's proposed operations, issues could arise from time to time with respect to abandonment costs, rehabilitation and consequential clean-up costs, environmental concerns and other liabilities. In these instances, the Company may become subject to liability if, for example, there is environmental pollution or damage from the Company's exploration activities and there are consequential clean-up costs at a later point in time.

(q) **Transportation of fuel**

Should the Company develop its Julia Creek Project into production, the Company will need to ensure that transport contractors and logistics are compliant and regularly integrity tested. The transmission of hydrocarbon fuel requires a strict control regime to ensure it is undertaken safely. The end-to-end process involves multiple parties and equipment across the supply chain. The Company will have to work with all parties in the supply chain, including the end customer, to ensure relevant risk management procedures are in place and followed for production, transport and delivery. Any failure of risk management procedures in the Company's supply chain could lead to injury to persons or property, financial and reputational loss for the Company and impact adversely on its regulatory approvals.

(r) **Operating Risks**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in exploration or mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts and plant and equipment.

(s) **Development risk**

The Company's development projects may be delayed or be unsuccessful for many reasons, including unanticipated financial, operational or regulatory events, the failure to receive government approvals, whether a final investment decision is reached, cost overruns, decline in petroleum or other commodity prices or demand, equipment and labour shortages, technical concerns including with respect to reserves and deliverability difficulties, increases in operational cost structures, contractual issues with securing sales contracts for products or with engineering procurement and construction contracts, community or industrial actions, changes in construction costs, design requirements and delays in construction or other circumstances which may result in the delay, suspension or termination of the development projects. In addition, the ability of counterparties of the relevant sales contracts to meet their commitments under such arrangements may impact on the Company's investment in these projects. Development projects in which the Company is or may become involved are subject to the abovementioned risks (and the other risks outlined in this document), and may adversely affect the commerciality and economics of project development.

(t) **Project cost control**

Execution of the Company's exploration and development activities requires an appropriate framework of internal controls including obtaining robust project cost estimates, ensuring investment decisions are supported by the appropriate financial analysis and that appropriate procedures are in place to ensure work is executed on time and on budget. Failure to implement these controls effectively could mean that long term funding decisions for the business are incorrect and the Company's ability to deliver on its plans within specified timeframes are compromised.

(u) **Commodity Price Volatility and Exchange Rate Risks**

If the Company develops a mine in the future, the Company's potential earnings would be largely derived from the sale of commodities, such that the Company's future revenues and cash flows will be impacted by changes in the prices and the available market for relevant commodities. Should the Company develop a mine, any substantial decline in the prices of the relevant commodities or increase in production, transport or distribution costs may have a material adverse effect on the Company and the value of its Shares.

Furthermore, commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include current and expected future supply and demand, forward selling by producers, production cost levels in major mineral producing centres and macroeconomic conditions such as inflation and interest rates.

At this time, the Company has not put any hedging arrangements in place, but may do so in future when the Directors consider it appropriate.

(v) **Production risk**

The business of mineral and petroleum exploration and development is subject to a variety of risks and hazards. Such occurrences may delay production, increase production costs or result in damage to and destruction of production properties or facilities, personal injury, environmental damage and legal liability. Ongoing production and commissioning of staged expansions to production may not proceed to plan, with potential for delay in the timing of targeted production and/or a failure to achieve the level of targeted production. In certain circumstances, these potential delays or difficulties may necessitate additional funding requirements which could lead to additional equity and / or debt requirements for the Company. In addition to potential delays, there is a risk that capital and/or operating costs will be higher than expected or there will be other unexpected changes in variables upon which expansion and commissioning decisions were made. These potential scope changes and/or cost overruns may also lead to additional funding requirements. The Company's activities may be affected by numerous other factors beyond its control. Mechanical failure of the Company's operating plant and equipment, and general unanticipated operational and technical difficulties, may adversely affect its operations.

(w) **Reliance on key personnel**

Human resources are the Company's most important assets and losses of senior team members could have a significant impact on the Company's ability to negotiate contracts, manage costs, exploit opportunities and ultimately ensure business sustainability and profitability.

(x) **Information Technology & Cyber Security**

The Company relies heavily on its computer hardware, software and information technology systems to operate its business. There is a risk that the data migration via cloud-based platforms could cause unexpected system disruptions or loss of business information. Should this occur, or if the Company's information technology systems or disaster recovery processes are otherwise not adequate, there may be a negative impact on the Company's performance. Any data or information security breach has the potential to result in unauthorised access, disclosure, loss and/or misuse of company information and funds which may cause significant business and reputational damage, adverse regulatory and financial impacts and legal proceedings. Additionally, business interruptions due to a failure of operating systems could impact the operations of the Company and lead to financial loss.

(y) **Agents and contractors**

The Company outsources certain parts of its activities pursuant to services contracts with third party contractors. The Directors are unable to predict the risk of financial failure, default or insolvency of any of the contractors. If these events occur in relation to a contractor, recovery by the Company of resulting financial losses may be limited.

(z) **Statutory Royalties**

The Company's mining projects may be subject to Federal and State royalties. In the event that such royalties are increased in the future, the profitability and commercial viability of the Company's projects may be negatively impacted.

(aa) **Climate change regulation**

The extraction and processing of resources is relatively energy intensive and is currently dependent on the consumption of fossil fuels. Increased regulation and government policy designed to mitigate climate change may adversely affect the Company's cost of operations and adversely impact the financial performance of the Company.



There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly relevant to the Company include:

- (i) 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;
- (ii) 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; and
- (iii) adverse weather events which may disrupt field work and operational activities.

These examples sit amongst an array of possible climate-related 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, should these risks materialise, the Company may be adversely impacted.

(bb) **Changes in Government Policy**

Changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and exploration, extraction and production activities of the Company. It is possible that the current system of exploration and production permitting in Queensland or other places the Company may in future operate may change, resulting in impairment of rights and possibly, expropriation of the Company's properties without adequate compensation.

(cc) **Competition risk**

The industry in which the Company will be involved is subject to domestic and global competition, including major mineral exploration and production companies. The Company has no influence or control over the activities or actions of its competitors, whose activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

Some of the Company's competitors have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities, including acquisitions. Many of the Company's competitors not only explore for and produce minerals, but also carry out refining operations and other activities on a worldwide basis. There can be no assurance that the Company can compete effectively with these companies.

(dd) **New projects and acquisitions**

The Company may pursue and assess new business opportunities in the resources sector. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, and/or direct equity participation.

The acquisition of projects (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence or prior to the completion of comprehensive due diligence.

There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company. If an acquisition is completed, the Directors will need to reassess at that time, the funding allocated to current projects and new projects, which may result in the Company reallocating funds from projects and/or raising additional capital (if available).

Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project/business activities will remain.

(ee) **Health and Safety**

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

(ff) **Regulatory Risk**

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters, including resource permit consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, Native Title and heritage matters, protection of endangered and protected species and many other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, rehabilitation and any production activities.

Obtaining necessary permits can be a time-consuming process and there is a risk that the Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or any operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of its Tenements.

(gg) **Taxation changes may negatively affect the Company**

An investment in the Shares involves tax considerations which differ for each Shareholder. There may be tax implications arising from applications for Shares, participation in any on-market buy-back and/or on the future disposal of Shares. Further, the tax treatment of a Shareholder's investment may be impacted by legislative changes in tax law or the interpretation of tax laws (including goods and services taxes, rules relating to deductible liabilities and stamp duty taxes). Any changes to the current rate of company income tax may impact Shareholder returns, and any change in tax rules and tax arrangements could have an adverse impact on the level of dividend franking and Shareholder returns. Potential investors should consult their professional tax adviser before deciding whether to apply for Shares pursuant to this Prospectus.

There is the potential for changes to tax laws and changes in the way tax laws are interpreted. Any change to the current tax rates imposed on the Company may affect returns to Shareholders.

(hh) **Insurance Risks**

The Company insured its operations. 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.

Insurance against all risks associated with resource exploration and production is not always available and where available, the costs can be prohibitive.

(ii) **Litigation Risks**

The Company is exposed to possible litigation risks including Native Title claims, contractual claims, tenure disputes, environmental claims, 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 or aware of any impending material litigation.

5.2 **General risks**

(a) **General economic climate**

Factors such as inflation, currency fluctuations, interest rates, legislative changes, political decisions and industrial disruption have an impact on operating revenues and costs. The Company's future income, asset values and share prices may be affected by these factors and, in particular, by exchange rate movements.

(b) **Securities investments**

Applicants should be aware that there are risks associated with any securities investment. The prices at which the Company's Securities trade may be above or below the issue price of the Offer and may fluctuate in response to a number of factors. Further, the securities market is prone to price and volume fluctuations. There can be no guarantee that trading prices will be sustained. These factors may materially affect the market price of the Company's securities, regardless of the Company's operational performance.

(c) **Government and legal risk**

Changes in government, monetary policies, taxation and other laws can have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its Securities.

The Company is not aware of any reviews or changes that would affect its current business. However, changes in community attitudes may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect the Company's development plans or its rights and obligations in respect of its operations. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations by the Company.

(d) **Force majeure**

Force majeure is a term used to refer to an event beyond the control of a party claiming that the event has occurred. Significant catastrophic events – such as war, acts of

terrorism, pandemics, loss of power, cyber security breaches or global threats – or natural disasters - such as earthquakes, fire or floods or the outbreak of epidemic disease – could disrupt the Company's operations and interrupt critical functions, or otherwise harm its business. To the extent that such disruptions or uncertainties result in delays or disruptions to the Company's operations, its business, results of operations and financial condition may be harmed.

(e) **Taxation**

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

(f) **Unforeseen expenditure risk**

Expenditure may need to be incurred that has not been budgeted by the Company. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

(g) **Changes to legislation or regulations**

The Company may be affected by changes to laws and regulations in Australia. Such changes could have adverse impacts on the Company from a financial and operational perspective.

(h) **Unforeseen risk**

There may be other risks which the Directors are unaware of at the time of issuing this Prospectus which may impact on the Company, its operations and/or the valuation and performance of its Shares.

### 5.3 **Investment speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

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

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

## 6. Rights attaching to Securities

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### 6.1 Rights and liabilities attaching to Shares

A summary of the rights attaching to Shares (with which New Shares rank equally) in the Company is below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

#### (a) General meeting and notices

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) Ranking of Shares

At the date of this Prospectus, all Shares are of the same class and rank equally in all respects. Specifically, the New Shares issued pursuant to this Prospectus will rank equally with existing Shares.

#### (c) Voting rights

Subject to any rights or restrictions, at general meetings of Shareholders or classes of shareholders:

- (i) every Shareholder present and entitled to vote may vote in person or by attorney, proxy 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, has one vote for every fully paid Share held and a fraction of one vote for each partly paid up Share held, equal to the proportion which the amount paid up on that Share (excluding amounts credited) is to the total amounts paid up and payable (excluding amounts credited) on that Share.

#### (d) Dividend rights

Subject to the rights of the holders of any shares with special rights to dividends, the Directors may determine or 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 is of the total amounts paid and payable in respect of such Shares.

No dividend carries interest against the Company and the declaration of Directors as to the amount to be distributed is conclusive.

The Company must not pay a dividend unless the Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment

of the dividend. The Directors may capitalise any profits of the Company and distribute that capital to the Shareholders, in the same proportions as the Shareholders are entitled to a distribution by dividend.

(e) **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 attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares in that class.

(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 Shares is under the control of the Board of the Company as appointed from time to time. 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 and other Securities as they, in their absolute discretion, determine.

(h) **Rights on winding up**

If the Company is wound up, the liquidator may with the sanction of 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 the liquidator considers fair on 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.

(i) **Alteration of constitution**

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

## 6.2 **Rights and liabilities attaching to New Options**

The New Options are issued on the following:

(a) **Exercise price**

Exercise Price: \$0.14.

(b) **Entitlement**

Each New Option gives the option holder the right to subscribe for, and be issued, one Share.

(c) **Not quoted**

The Company will not apply for Official Quotation of the New Options, but reserves the right to do so in future.

(d) **Expiry date**

The New Options will expire on 30 September 2026 (**Expiry Date**). Any New Option not exercised before the applicable Expiry Date (**Exercise Period**) will automatically lapse on that date.

(e) **Notice of Exercise**

The New Options may be exercised during the Exercise Period by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each New Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company. Exercise forms (**Notice of Exercise**) are available from the Company upon request.

(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 New Option being exercised in cleared funds (**Exercise Date**).

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

Within five Business Days of receipt of the Exercise Notice and the aggregate Exercise Price (where applicable), the Company will allot the applicable Shares to the option holder.

(h) **Shares issued on exercise**

Shares allotted upon the exercise of New Options will upon allotment rank equally in all respects with other issued fully paid Shares.

(i) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, the Company will apply for quotation of all Shares allotted pursuant to the exercise of New Options on the ASX within five business days after the date of allotment of those Shares.

(j) **Reorganisation**

If, prior to the Expiry Date of the New Options, the issued capital of the Company is reorganised, all rights of an option holder are to be changed in a manner consistent with the Corporations Act and any requirements with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the New Options and option holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options except to the extent that these Options (if capable of exercise at the material time) are exercised prior to the 'record date' for determining entitlements for the new issue.

(l) **Change in exercise price**

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

(m) **Agreement to be bound**

By lodging an Exercise Notice, the option holder agrees to take the applicable Shares and agrees to be bound by the Constitution of the Company.

(n) **Amendment of terms**

Subject to the Corporations Act and the ASX Listing Rules and paragraph (l) , the terms of the New Options may be amended by and in accordance with a special resolution in a general meeting of members of the Company.

**6.3 Rights and liabilities attaching to Underwriter Options**

The Underwriter Options are issued on the same terms as the New Options.



## 7. Additional Information

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### 7.1 Underwriting Agreement

#### (a) Offer management

The Company and Mahe Capital have entered into an Underwriting Agreement (**Underwriting Agreement**) dated 20 September 2024 pursuant to which Mahe Capital as Lead Manager and Underwriter (**Underwriter**) has agreed to lead manage and partly underwrite the Offer up to \$1,600,000 (**Underwritten Amount**).

In consideration of this service, the Company has agreed to the consideration set out in paragraph (b).

#### (b) Fees and consideration

The Company has agreed to pay the Underwriter:

- (i) 1 New Option for every one dollar settled by the Underwriter;
- (ii) \$60,000;
- (iii) 1% of the total amount raised under the Offer;
- (iv) 5% of the Underwritten Amount (excluding director and ex-director sub-underwriting); and
- (v) 5% of any shortfall securities placed beyond the Underwritten Amount, including any additional amount that might be placed under the Company's 7.1 and 7.1A placement capacity (if applicable).

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

#### (c) Termination rights

The Underwriter may terminate the Underwriting Agreement upon the occurrence of any of the events below by giving notice in writing to the Company on or at any time before the issue of all the Underwritten Securities, without cost or liability to itself:

- (i) **(Indices fall)**: the S&P ASX 200 Index is at any time after the date of the Underwriting Agreement 7% or more below its respective level as at the close of business on the business day prior to the date of the Underwriting Agreement;
- (ii) **(Commodities)**: the price of COMEX gold or NYMEX WTI crude is at any time after the date of the Underwriting Agreement 7% or more below its respective level as at the close of business on the business day prior to the date of the Underwriting Agreement;
- (iii) **(No Listing Approval)**: the Company fails to lodge an Appendix 3B and an Appendix 2A in relation to the underwritten securities with ASX by the times required by the Listing Rules, the Corporations Act or any other regulations;
- (iv) **(No Official Quotation)**: ASX has advised the Company that it will not or may not grant official quotation to the underwritten Shares or admit the Company to

- trading on the ASX following completion of the Offer (including issue of the Shortfall Securities) on or prior to the date for notification of the shortfall;
- (v) **(Price)**: the Offer Price is greater than the volume weighted average price of the Company's Shares calculated over three days after the date of the Underwriting Agreement;
  - (vi) **(Supplementary prospectus)**:
    - (A) the Underwriter forms the view on reasonable grounds that a Supplementary Prospectus should be lodged with ASIC for any of the reasons referred to in Section 719 of the Corporations Act and the Company fails to lodge a Supplementary Prospectus in such form and content and within such time as the Underwriter may reasonably require; or
    - (B) the Company lodges a Supplementary Prospectus without the prior written agreement of the Underwriter;
  - (vii) **(Non-compliance with disclosure requirements)**: it transpires that this Prospectus does not contain all the information that investors and their professional advisers would reasonably require to make an informed assessment of:
    - (A) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
    - (B) the rights and liabilities attaching to the Underwritten Securities,
 to the extent required by law;
  - (viii) **(ASIC application)**: an application is made by ASIC for an order under Section 1324B or any other provision of the Corporations Act in relation to the Prospectus and by the date for notification by the Company of the shortfall, application has not been dismissed or withdrawn;
  - (ix) **(ASIC hearing)**: ASIC gives notice of its intention to hold a hearing under Section 739 of the Corporations Act in relation to this Prospectus to determine if it should make a stop order in relation to this Prospectus or ASIC makes an interim or final stop order in relation to this Prospectus under Section 739 of the Corporations Act;
  - (x) **(Takeovers Panel)**: the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel;
  - (xi) **(Hostilities)**: there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the Underwriting Agreement has been signed involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China, Israel or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;

- (xii) **(Adverse change)**: an event occurs which gives rise to a material adverse effect or any adverse change or any development including a likely material adverse effect after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of the Company and its related bodies corporate;
- (xiii) **(Change in Act or policy)**: there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in existing, monetary, taxation, exchange or fiscal policy that has not been publicly disclosed or proposed as at the date of the Underwriting Agreement;
- (xiv) **(Litigation)**: litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against the Company, other than any claims foreshadowed in the Prospectus;
- (xv) **(Board and senior management composition)**: there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the underwritten securities without the prior written consent of the Underwriter, such consent not to be unreasonably withheld;
- (xvi) **(Change in shareholdings)**: there is a material change in the major or controlling shareholdings of Company or any of its related bodies corporate (other than as a result of the Offer or a matter disclosed in the Prospectus) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
- (xvii) **(Certain resolutions passed)**: Company or any of its related bodies corporate passes or takes any steps to pass a resolution under Section 254N, Section 257A or Section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (xviii) **(Capital Structure)**: Company or any of its related bodies corporate alters its capital structure in any manner not contemplated by the Prospectus excluding the issue of any Shares upon the exercise of options issued in the Company, such options having been disclosed to the ASX as at the date of the Underwriting Agreement;
- (xix) **(Breach of Material Contracts)**: any of the material contract is terminated or substantially modified;
- (xx) **(Investigation)**: any person is appointed under any legislation in respect of companies to investigate the affairs of Company or any of its related bodies corporate; or
- (xxi) **(Market Conditions)**: a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

The Underwriter has entered into sub-underwriting agreements with the Directors and Mr David Fitch, as set out in Section 4.4.

## 7.2 Company is a disclosing entity

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the securities market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit review or report. Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 7.4 below). Copies of all documents announced to the ASX can be found at [www.qldem.com.au](http://www.qldem.com.au) or [www.asx.com.au](http://www.asx.com.au).

## 7.3 Dividend Policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

## 7.4 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the Offer a copy of:

- (a) the Annual Report for the period ending 30 June 2023 lodged with ASX on 27 September 2023 (**Annual Financial Report**);
- (b) the Half Yearly Report for the period ending 31 December 2023 lodged with ASX on 14 March 2024; and
- (c) the continuous disclosure notices given by the Company to notify ASX of information relating to the Company during the period from lodgement of the Annual Financial Report with ASX on 27 September 2023, until the date of this Prospectus:

| Date       | Headline  |
|------------|---|
| 27/08/2024 | Final Director's Interest Notice                  |
| 27/08/2024 | Resignation of Non-Executive Director             |
| 27/08/2024 | AusIMM Critical Minerals Conference Presentation  |
| 27/08/2024 | Julia Creek Project - Scoping Study Completed     |
| 30/07/2024 | Quarterly Activities/Appendix 5B Cash Flow Report |
| 19/07/2024 | Annual ESG Report FY24                            |
| 01/07/2024 | Notification regarding unquoted securities - QEM  |

| Date       | Headline   |
|------------|--|
| 17/06/2024 | Becoming a substantial holder                                |
| 12/06/2024 | Change in substantial holding                                |
| 12/06/2024 | Change in substantial holding                                |
| 30/05/2024 | Change of Director's Interest Notice                         |
| 01/05/2024 | Change of CFO, Company Secretary and Registered Office       |
| 30/04/2024 | Quarterly Activities/Appendix 5B Cash Flow Report            |
| 16/04/2024 | Change of Director's Interest Notice                         |
| 09/04/2024 | QEM Fully Repays Unsecured Loan Facility                     |
| 04/04/2024 | Vanadium Pentoxide 99.93% purity recovered from waste        |
| 03/04/2024 | Change of Director's Interest Notice                         |
| 28/03/2024 | Change of Director's Interest Notice                         |
| 26/03/2024 | Completion of sale of Julia Creek Renewables Project to EGPA |
| 14/03/2024 | Half Year Accounts   |
| 05/03/2024 | QEM Upgrades Julia Creek Resource Base - Updated             |
| 04/03/2024 | QEM Upgrades Julia Creek Resource Base                       |
| 22/02/2024 | QEM produce first Vanadium Pentoxide from industrial waste   |
| 31/01/2024 | Quarterly Activities/Appendix 5B Cash Flow Report            |
| 15/01/2024 | QEM sells Julia Creek Renewables Project assets to Enel      |
| 06/12/2023 | Change of Director's Interest Notice                         |
| 30/11/2023 | Change of Director's Interest Notice                         |
| 24/11/2023 | Change of Director's Interest Notice                         |
| 15/11/2023 | Change of Director's Interest Notice x 4                     |
| 13/11/2023 | Notification regarding unquoted securities - QEM             |
| 09/11/2023 | Results of Annual General Meeting                            |
| 27/10/2023 | Quarterly Activities/Appendix 5B Cash Flow Report            |
| 26/10/2023 | QEM Quarterly ESG Report                                     |

| Date       | Headline                                       |
|------------|--|
| 09/10/2023 | Proposed issue of securities - QEM             |
| 09/10/2023 | QEM - Upcoming Annual General Meeting          |
| 09/10/2023 | Notice of Annual General Meeting/Proxy Form    |
| 27/09/2023 | Proposed issue of securities - QEM             |
| 27/09/2023 | Appendix 4G and Corporate Governance Statement |
| 27/09/2023 | Annual Report to shareholders                  |

The following documents are available for inspection throughout the period of the Offer during normal business hours at the registered office of the Company:

- (a) this Prospectus; and
- (b) the Constitution.

#### 7.5 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules as contemplated in section 713 of the Corporations Act, other than as is set out in this Prospectus.

#### 7.6 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Securities under this Prospectus.

#### 7.7 Interests of Directors

##### (a) Information disclosed in this Prospectus

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

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

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

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

(b) **Security holding**

The interests of Directors in the Company's Securities and their Entitlements under the Offer are set out below:

| Director      | Shares     | Voting power (%) | Options   | Performance Rights | Entitlement <sup>1</sup> |
|---------------|------------|------------------|-----------|--------------------|--------------------------|
| Tim Wall      | 100,000    | 0.1%             | 600,000   | 375,000            | 28,572                   |
| Gavin Loyden  | 20,730,690 | 13.7%            | 2,000,000 | 625,000            | 5,923,055                |
| Tony Pearson  | 0          | -                | 0         | 375,000            | 0                        |
| Daniel Harris | 0          | -                | 600,000   | 250,000            | 0                        |

**Note:**

- The Directors have indicated an intention to participate in the Offer and have agreed to act as sub-underwriters as set out in Section 4.4

(c) **Remuneration**

The Constitution of the Company provides that the non-executive directors are entitled to be paid an amount of fees which does not in any year exceed in aggregate the amount last fixed by ordinary resolution. The amount may also be provided in a manner the Board decides, which may include provision of non-cash benefits, in which case, the Board must also decide the manner in which the value of those benefits is to be calculated.

The Constitution also provides that:

- the Directors may be entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors; and
- if any of the Directors being willing are called upon to perform extra services or make any special exertions on behalf of the Company or its business, the Directors may remunerate this Director in accordance with such services or exertions, and this remuneration may be either in addition to or in substitution for his or her share in the fee-pool described above.

The table below sets out the remuneration provided to the Directors of the Company during the last two financial years (FY), inclusive of directors' fees, consultancy fees, superannuation benefits and share-based payments.

| Name          | FY ended 30 June 2023    |           | FY ended 30 June 2024    |           |
|---------------|--------------------------|-----------|--------------------------|-----------|
|               | Cash Rem. incl. super \$ | Equity \$ | Cash Rem. incl. Super \$ | Equity \$ |
| Tim Wall      | \$25,221                 | \$69,341  | \$77,700                 | \$13,325  |
| Gavin Loyden  | \$322,108                | \$246,200 | \$342,979                | \$22,209  |
| Tony Pearson  | n/a                      | n/a       | \$37,955                 | \$17,741  |
| Daniel Harris | \$31,800                 | \$73,860  | \$40,000                 | \$8,884   |

## 7.8 Related party transactions

Except as disclosed in this Prospectus, there are no related party transactions involved in the Offer.

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting, unless it is resolved by the Board of Directors that the Director can be present at the meeting but does not vote on the matter.

## 7.9 Interests of other persons

Except as disclosed in this Prospectus, no promoter or other person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in which they are a partner or director) has, or has in the two years before the date of this Prospectus had, any interest in:

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

and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to a promoter or any person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in which they are a partner or director), provided in connection with the formation or promotion of the Company or the Entitlement Offer, except as disclosed in this Prospectus and as follows:

- (d) HWL Ebsworth Lawyers (**HWLE**) has acted as the lawyers to the Company for the Offer. In respect of this work the Company will pay HWLE approximately \$18,000 (plus GST). HWLE has not been paid any fees during the two years preceding the date of this Prospectus;
- (e) Mahe Capital Pty Ltd (**Mahe**) has:
  - (i) acted as Lead Manager and part Underwriter to the Entitlement Offer. In respect of these services, the Company has agreed to pay the amounts set out in Section 7.1 plus GST; and
  - (i) been appointed as Broker and the nominee under section 615 of the Corporations Act. In respect of these services, the Company has agreed to pay the amounts set out in Section 7.1 plus GST, and

Mahe has not been paid any fees during the two years preceding the date of this Prospectus; and

- (f) Automic Share Registry conducts the Company's share registry functions and will provide administrative services in respect to the proposed Applications pursuant to this



Prospectus. Automic Share Registry will be paid for these services on standard industry terms and conditions.

## 7.10 Expenses of the Offer

The estimated cash expenses of the Offer are follows:

| <b>Estimated expense</b> | <b>Underwritten amount (\$1.6m)</b> | <b>Full subscription</b> |
|--------------------------|-------------------------------------|--------------------------|
|                          | <b>\$*</b>                          | <b>\$*</b>               |
| ASIC lodgement fees      | \$3,206                             | \$3,206                  |
| ASX quotation fees       | \$8,207                             | \$12,544                 |
| Underwriter Fees         | \$106,780                           | \$192,450                |
| Legal Costs              | \$18,000                            | \$18,000                 |
| <b>Total</b>             | <b>\$136,193</b>                    | <b>\$226,200</b>         |

\* Excluding GST

## 7.11 Consents

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

Each of the parties referred to in this Section:

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

HWL Ebsworth Lawyers has given its written consent to being named as the solicitors to the Company in this Prospectus. HWL Ebsworth Lawyers has not withdrawn its consent prior to the lodgment of this Prospectus with ASIC.

Automic Share Registry has given its written consent to being named as the share registry to the Company in this Prospectus. Automic Share Registry has not withdrawn its consent prior to the lodgment of this Prospectus with ASIC.

Mahe Capital Pty Ltd has given its written consent to being named as the Lead Manager and Underwriter and Section 615 Nominee to the Company in this Prospectus. Mahe has not withdrawn its consent prior to the lodgment of this Prospectus with ASIC.

## 7.12 Governing law

This Prospectus, the Offer and the contracts formed on acceptance of Entitlements and Applications are governed by the laws applicable in the State of Queensland, the Commonwealth

of Australia. Each Applicant for New Shares submits to the non-exclusive jurisdiction of the courts of Queensland, Australia.

### 7.13 **Electronic Prospectus**

Pursuant to Regulatory Guide 107, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic copy of this Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Securities in response to an electronic Entitlement and Acceptance Form, subject to compliance with certain provisions.

## 8. **Directors' Statement and Consent**

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This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:

A handwritten signature in black ink that reads "Tim Wall". The signature is written in a cursive, slightly slanted style.

Tim Wall  
Chairman

Dated: 23 September 2024

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## 9. Unaudited Pro Forma Statement of Financial Position

| QEM LIMITED                      |                  |                  |                  |                  | Pro forma        | Pro forma        |
|----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| CONSOLIDATED CASHFLOW WORKSHEET  |                  |                  |                  |                  | 31/12/2023       | 31/12/2023       |
| 31.12.2023                       | Reviewed         | Other            | Underwritten     | Full             | Underwritten     | Full             |
|                                  | 31/12/2023       | adjustments      | amount \$1.6m    | Subscription     | amount \$1.6m    | Subscription     |
|                                  | A                | B                | C                | D                | A+B+C            | A+B+D            |
| <b>CURRENT ASSETS</b>            |                  |                  |                  |                  |                  |                  |
| Cash and cash equivalents        | 280,908          | 1,364,268        | 1,463,807        | 2,801,634        | 3,108,983        | 4,446,810        |
| Trade and other receivables      | 61,361           | (9,798)          | -                | -                | 51,563           | 51,563           |
| Other assets                     | 70,272           | (32,094)         | -                | -                | 38,178           | 38,178           |
| Right of Use Asset               | 76,523           | (45,914)         | -                | -                | 30,609           | 30,609           |
| <b>TOTAL CURRENT ASSETS</b>      | <b>489,064</b>   | <b>1,276,462</b> | <b>1,463,807</b> | <b>2,801,634</b> | <b>3,229,333</b> | <b>4,567,160</b> |
| <b>NON-CURRENT ASSETS</b>        |                  |                  |                  |                  |                  |                  |
| Other Assets                     | 19,450           | -                | -                | -                | 19,450           | 19,450           |
| Right of Use Asset               | -                | -                | -                | -                | -                | -                |
| Plant and Equipment              | 991,132          | (459,951)        | -                | -                | 531,181          | 531,181          |
| <b>TOTAL NON-CURRENT ASSETS</b>  | <b>1,010,582</b> | <b>(459,951)</b> | <b>-</b>         | <b>-</b>         | <b>550,631</b>   | <b>550,631</b>   |
| <b>TOTAL ASSETS</b>              | <b>1,499,646</b> | <b>816,511</b>   | <b>1,463,807</b> | <b>2,801,634</b> | <b>3,779,964</b> | <b>5,117,791</b> |
| <b>CURRENT LIABILITIES</b>       |                  |                  |                  |                  |                  |                  |
| Trade and other payables         | 461,507          | 43,036           | -                | -                | 504,543          | 504,543          |
| Lease liabilities                | 89,997           | (53,512)         | -                | -                | 36,485           | 36,485           |
| Provisions                       | 147,986          | 62,683           | -                | -                | 210,669          | 210,669          |
| <b>TOTAL CURRENT LIABILITIES</b> | <b>699,490</b>   | <b>52,207</b>    | <b>-</b>         | <b>-</b>         | <b>751,697</b>   | <b>751,697</b>   |
| <b>TOTAL LIABILITIES</b>         | <b>699,490</b>   | <b>52,207</b>    | <b>-</b>         | <b>-</b>         | <b>751,697</b>   | <b>751,697</b>   |
| <b>NET ASSETS</b>                | <b>800,156</b>   | <b>764,304</b>   | <b>1,463,807</b> | <b>2,801,634</b> | <b>3,028,267</b> | <b>4,366,094</b> |
| <b>EQUITY</b>                    |                  |                  |                  |                  |                  |                  |
| Issued capital                   | 16,991,177       | -                | 1,463,807        | 2,801,634        | 18,454,984       | 19,792,811       |
| Reserves                         | 743,903          | 63,780           | -                | -                | 807,683          | 807,683          |
| Accumulated losses               | (16,934,924)     | 700,524          | -                | -                | (16,234,400)     | (16,234,400)     |
| <b>TOTAL EQUITY</b>              | <b>800,156</b>   | <b>764,304</b>   | <b>1,463,807</b> | <b>2,801,634</b> | <b>3,028,267</b> | <b>4,366,094</b> |

**Other Adjustments (B):** Various other changes to the Company's capital structure to more accurately represent the pro-forma impact of the capital raising proceeds, showing the effects of the unaudited/unreviewed results of the Company for the half-year ended 30 June 2024, including the receipt of \$3,000,000 from the sale of the Julia Creek Renewables Project, works to complete the Company's Julia Creek (Vanadium Project) Scoping Study, corporate and administrative overheads and general working capital.

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## 10. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

|                             |   |
|-----------------------------|---|
| <b>\$</b>                   | means Australian dollars.   |
| <b>Acceptance</b>           | means a valid acceptance of New Shares and attaching New Options made pursuant to this Prospectus on an Entitlement and Acceptance Form.  |
| <b>Applicant</b>            | means a person who applies for New Shares and attaching New Options pursuant to the Offer.  |
| <b>Application Form</b>     | means the application form for New Shares and attaching New Options.  |
| <b>Application Monies</b>   | means application monies for Shares received by the Company (which must be paid via BPAY®) or where stipulated, EFT.  |
| <b>ASIC</b>                 | means the Australian Securities and Investments Commission.   |
| <b>Associate</b>            | is defined in the Corporations Act.   |
| <b>ASX</b>                  | means ASX Limited (ACN 008 624 691) and where the context permits the Australian Shares Exchange operated by ASX Limited.   |
| <b>AEST</b>                 | means Australian Eastern Standard Time.   |
| <b>Board</b>                | means the Directors meeting as a board.   |
| <b>Business Day</b>         | means Monday to Friday inclusive, other than a day that ASX declares is not a business day.   |
| <b>CHESS</b>                | means ASX Clearing House Electronic Subregistry System.   |
| <b>Closing Date</b>         | has the meaning given to it in the Timetable.   |
| <b>Company</b>              | means QEM Limited ACN 167 966 770 (ASX:QEM).  |
| <b>Constitution</b>         | means the constitution of the Company as at the date of this Prospectus.  |
| <b>Corporations Act</b>     | means <i>Corporations Act 2001</i> (Cth).   |
| <b>Directors</b>            | mean the directors of the Company as at the date of this Prospectus.  |
| <b>Eligible Shareholder</b> | means a person registered as the holder of Shares on the Record Date whose registered address is in Australia or New Zealand or who the Directors have otherwise determined is an Eligible Shareholder. |

|  |  |
|--|--|
| <b>Entitlement</b>                     | means the number of New Shares for which an Eligible Shareholder is entitled to subscribe under the Entitlement Offer, being 1 New Share for every 3.5 Shares held on the Record Date (and free attaching New Options on the basis of 1 New Option for every 2 New Shares subscribed for under the Offer).               |
| <b>Entitlement and Acceptance Form</b> | means the personalised entitlement and acceptance form for Eligible Shareholders in respect of the Offer.  |
| <b>Entitlement Offer</b>               | means the offer under this Prospectus to Eligible Shareholders of New Shares in the proportion of 1 New Share for every 3.5 Shares held on the Record Date to raise up to \$3,027,834 (before costs) and free attaching New Options on the basis of 1 New Option for every 2 New Shares subscribed for under the Offer). |
| <b>Existing Options</b>                | means Options on issue as at the date of this Prospectus.  |
| <b>Existing Shares</b>                 | means Shares on issue as at the date of this Prospectus.   |
| <b>Ineligible Shareholder</b>          | means a person registered as the holder of Shares on the Record Date whose registered address is not in Australia or New Zealand and whom the Directors have not otherwise determined is an Eligible Shareholder.  |
| <b>Issue Date</b>                      | has the meaning given in has the meaning given to it in Section 2.10 and the Timetable.  |
| <b>Issuer Sponsored</b>                | means Shares issued by an issuer that are held in uncertified form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHES.  |
| <b>Underwriter Options</b>             | means Options to be issued to Mahe Capital in consideration for lead managing the Offer, on the terms set out in Section 6.3.  |
| <b>Listing Rules</b>                   | means the listing rules of ASX.  |
| <b>Mahe Capital</b>                    | means Mahe Capital Pty Ltd ACN 634 087 684.  |
| <b>Mining Law</b>                      | means the law regulating the Company's Tenements and projects.   |
| <b>New Option</b>                      | means an Option issued on the terms set out in Section 6.2.  |
| <b>New Share</b>                       | means a Share offered and/or issued pursuant to the Offer, including where the context requires, Shortfall Shares.   |
| <b>Offer</b>                           | means the Entitlement Offer and the Shortfall Offer, as applicable.  |
| <b>Offer Price</b>                     | means \$0.07 per New Share.  |
| <b>Option</b>                          | means an option to acquire a Share.  |

|                                |  |
|--------------------------------|--|
| <b>Prospectus</b>              | means this prospectus dated 23 September 2024.   |
| <b>Record Date</b>             | means 7:00pm (AEST) on the date identified in the Timetable.   |
| <b>Section</b>                 | means a section of this Prospectus.  |
| <b>Securities</b>              | means Shares and/or Options.   |
| <b>Share</b>                   | means a fully paid ordinary share in the capital of the Company.   |
| <b>Shareholder</b>             | means a holder of Shares.  |
| <b>Share Registry</b>          | means Automatic Share Registry.  |
| <b>Shortfall</b>               | means the number of New Shares and attaching New Options for which valid applications under the Entitlement Offer and Shortfall Offer have not been received by 5:00pm (AEST) on the Closing Date.                 |
| <b>Shortfall Offer</b>         | means the offer to Eligible Shareholders to subscribe for New Shares and attaching New Options (in excess of their Entitlements) not subscribed for by other Eligible Shareholders pursuant to their Entitlements. |
| <b>Shortfall Shares</b>        | means the New Shares offered under the Shortfall Offer.  |
| <b>Substantial Shareholder</b> | is defined in the Corporations Act.  |
| <b>Tenement</b>                | means a licence or permit held by the Company in respect of mineral rights.  |
| <b>Timetable</b>               | means the proposed timetable for the Offer is set out on page iii of this Prospectus.  |
| <b>Underwriter</b>             | Mahe Capital Pty Ltd ACN 634 087 684.  |
| <b>Underwriter Agreement</b>   | means the agreement between the Company and Mahe Capital described in Section 7.1.   |
| <b>Voting power</b>            | has the meaning given in section 610 of the Corporations Act.  |