



ASX Announcement | 26 September 2024
Variscan Mines Limited (ASX:VAR)

FULLY UNDERWRITTEN RIGHTS ISSUE TO ADVANCE NOVALES-UDIAS ZINC PROJECT & CORPORATE DEVELOPMENT

Highlights

- Fully underwritten renounceable Entitlement Offer to raise approximately \$2.067m
- Significant support from Variscan's major shareholder and attracting new sophisticated and professional investors
- Funds to be used to accelerate exploration and drilling programs and development studies at the high grade zinc Novales-Udias project in Cantabria, northern Spain and for corporate and operational working capital

Variscan Mines CEO, Stewart Dickson, commented on the Rights Issue:

"To successfully raise funds in this market and to bring in new first-rate investors, is a huge endorsement of our high-quality zinc development projects in Spain and the progress made to date. We look forward to using the funds raised to continue to principally advance the Novales-Udias Project towards production. Key deliverables are drilling results, an updated Mineral Resource Estimate and the Mine Re-start Study. These are all value accretive development milestones. The Board considers this attractively priced Rights Issue will allow all shareholders to participate equally in our future growth with the confidence that it is well supported.

Our exploration team are very excited to following-up and drill-testing the recently announced high grade sampling results at the Udias Mine complex. With supporting studies about to start, we are poised to unlock further value from one of the highest-grade, development stage zinc deposits in Europe, which is continuing to make good progress towards re-starting production.

We have always maintained our growth mindset. Having the opportunity to evaluate additional zinc projects in Europe providing potential exploration upside and further company-level scale to the advanced, de-risked projects we currently own in Spain is attractive.

The Board welcomes the support we have received from our largest shareholder and other sophisticated and professional investors, and recommend the Renounceable Entitlement Offer to shareholders."

Overview

Variscan Mines Limited ("Variscan" or "Company") is pleased to announce a 2 for 3 renounceable entitlement offer ("Rights Issue" or "Offer") to raise approximately A\$2.067m (before costs) to accelerate the development of its existing and new mineral projects in Spain and provide additional working capital.

Proceeds of the Offer will fund:

- underground drilling program at the Udias Mine;
- exploration drilling over the newly enlarged Novales-Udias Project ;
- the generation of additional data for a Mineral Resource Estimate upgrade;

- additional input data and studies for the intended Mine Re-start Study; and
- the review of additional complimentary prospects and corporate development opportunities; and
- general working capital purposes.

Rights Issue Details

Eligible Variscan shareholders are being offered the opportunity to acquire new ordinary shares in the capital of the Company via a renounceable pro rata entitlement issue.

The Rights Issue is being made to Eligible Shareholders (refer below) on the basis of two (2) New Shares for every three (3) shares held by Eligible Shareholders registered at 5pm (Sydney) on Monday, 30 September 2024 (the “**Record Date**”). Each New Share has an offer price of 0.7cents. Eligible Shareholders will also receive one (1) free attaching New Option for every four (4) New Shares subscribed for and issued under the Offer. The New Options will be unlisted, exercisable at 1.5cents and will have an expiry date of two years from the date of issue.

Eligible Shareholders will also be given the opportunity to apply for additional new shares in excess of their entitlement. Further details of the Offer, including how to apply for entitlement and additional shares are set out in a prospectus to be dated 25 September 2024 (“**Prospectus**”) which has been lodged the ASIC and ASX and which will be made available to all Eligible Shareholders in accordance with the timetable set out below.

Whairo Capital Pty Ltd (ACN 618 944 568) (Corporate Authorised Representative (number 1282684) of Redleaf Securities Pty Ltd (ACN 606 000 800) the holder of Australian Financial Services Licence number 510097) has been appointed as Lead Manager and Underwriter to the Rights Issue.

Assuming all entitlements are accepted, or if all shortfall shares are placed, following completion the Offer, the Company will have issued approximately 295.3 million New Shares, resulting in a total of approximately 738.3 million fully paid ordinary shares on issue.

Major Shareholder Participation

Whairo Capital Pty Ltd has entered into sub-underwriting agreements with major shareholder, Zinc GroupCo Pty Ltd, and other sophisticated and professional investors, to ensure the offer is fully underwritten.

Eligible Shareholders

The eligible shareholders to whom the Offer is being made are those shareholders who are:

- (a) registered as a holder of Variscan’s Shares as at the Record Date;
- (b) have a registered address in Australia, New Zealand, Germany, Spain, Singapore or United Kingdom;
- (c) not in the United States, are not a “U.S. person”, as defined in Regulation S under the U.S. Securities Act of 1933 (“U.S. Person”), and are not acting for the account or benefit of any person in the United States or any “US Person”; and
- (d) eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

Shareholders with registered addresses outside Australia, New Zealand, Germany, Spain, Singapore or United Kingdom are considered Ineligible Shareholders and cannot participate in the Offer.

The Company has determined that it is not practicable for Ineligible Shareholders to participate in the Offer having regard to the number of Ineligible Foreign Shareholders, the number and value of New Shares they would be offered and the costs of complying with the regulatory requirements of those jurisdictions. Pursuant to ASX Listing Rule 7.7 and section 615 of the Corporations Act 2001 (Cth), the Company has appointed Whairo Capital Pty Ltd as nominee to sell the entitlements to which Ineligible Shareholders are entitled. The Company will seek to obtain ASIC approval for the appointment of the nominee, as required by section 615 of the Corporations Act.

Timetable

The timetable for the Offer is set out below. The Directors may extend the Closing Date by giving at least 3 business days' notice to ASX prior to the Closing Date. Accordingly, the date the securities are expected to commence trading on ASX may vary.

EVENT	DATE
Lodgement of Prospectus with the ASIC	Pre-market open on Thursday, 26 September 2024
Lodgement of Prospectus and Appendix 3B with ASX	Pre-market open on Thursday, 26 September 2024
Ex date	Tuesday, 1 October 2024
Rights start trading on a deferred settlement basis	Tuesday, 1 October 2024
Record Date for determining Entitlements	Wednesday, 2 October 2024
Offer opening date, Prospectus sent out to Shareholders and Company announces this has been completed	Monday, 7 October 2024
Rights trading ends at close of trading	Wednesday, 16 October 2024
Securities quoted on a deferred settlement basis	Thursday, 17 October 2024
Last day to extend the Closing Date	Friday, 18 October 2024
Closing Date	5:00pm (AEDT) Wednesday, 23 October 2024
ASX and Underwriter/Sub-Underwriter notified of under subscriptions	Thursday, 24 October 2024
Announcement of results of issue, lodgement of Appendix 2A (Prior to 12:00pm (AEDT))	Wednesday, 30 October 2024
Quotation of Securities issued under the Offer	Thursday, 31 October 2024

Enquiries

Eligible Shareholders will be sent further details about the Rights Issue in the Prospectus.

Shareholders should read the Prospectus carefully before making any investment decision regarding the Rights Issue. The Prospectus and associated ASX releases will be made available shortly on the Company's website at: www.variscan.com.au and on ASX.

Shareholders who have questions relating to the Rights Issue should contact the Company Secretary on email at info@variscan.com.au during the offer period for the Rights Issue.

ENDS

This ASX announcement has been approved by the Board and authorised for issue by Mr Stewart Dickson, Managing Director and CEO, Variscan Mines Limited

For further information, please contact:

Variscan Mines Limited (ASX:VAR)
Stewart Dickson
 Managing Director & CEO
 E: stewart.dickson@variscan.com.au
 T: +44 (0) 7799 694195

Media & Investor Enquiries
The Capital Network
 Julia Maguire
 E: julia@thecapitalnetwork.com.au
 P: +61 2 8999 3699

About Variscan Mines Limited (ASX:VAR)

Variscan Mines Limited (ASX:VAR) is a growth oriented, natural resources company focused on the acquisition, exploration and development of high-quality strategic mineral projects. The Company has compiled a portfolio of high-impact base-metal interests in Spain, Chile and Australia. Its primary focus is the development of its advanced zinc projects in Spain. The Company's name is derived from the Variscan orogeny, which was a geologic mountain building event caused by Late Paleozoic continental collision between Euramerica (Laurussia) and Gondwana to form the supercontinent of Pangea.

To learn more, please visit: www.variscan.com.au

For more information



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Visit our investor website: www.variscan.com.au

Competent Person Statement

The information in this announcement that relates to technical information about the Novales-Udias project is based on, and fairly represents information and supporting documentation compiled and reviewed by Dr. Mike Mlynarczyk, Principal of the Redstone Exploration Services, a geological consultancy acting as an external consultant for Variscan Mines. Dr. Mlynarczyk is a Professional Geologist (PGeo) of the Institute of Geologists of Ireland, and European Geologist (EurGeol) of the European Federation of Geologists, as well as Fellow of the Society of Economic Geologists (SEG). With over 10 years of full-time exploration experience in MVT-style zinc-lead systems in several of the world's leading MVT provinces, Dr. Mlynarczyk has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ('JORC Code'). Dr. Mlynarczyk consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears.

The information in this document that relates to previous exploration results was prepared pre-2012 JORC code. It is the opinion of Variscan that the exploration data is reliable. Although some of the data is incomplete, nothing has come to the attention of Variscan that causes it to question the accuracy or reliability of the historic exploration.

Forward Looking Statements

Forward-looking statements are only predictions and are not guaranteed. They are subject to known and unknown risks, uncertainties and assumptions, some of which are outside the control of the Company. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements or other forecast. The occurrence of events in the future are subject to risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to differ from those referred to in this announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward-looking statements in this announcement speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and the ASX Listing Rules, the Company, its directors, officers, employees and agents do not give any assurance or guarantee that the occurrence of the events referred to in this announcement will occur as contemplated.

Project Summary

The Novales-Udias Project is located in the Basque-Cantabrian Basin, some 30km southwest from the regional capital, Santander. The project is centred around the former producing San Jose underground mine with a large surrounding area of exploration opportunities which include a number of satellite underground and surface workings and areas of zinc anomalism identified from recent and historic geochemical surveys. Variscan has delineated a significant 9km mineralised trend and a sub-parallel 3km trend from contemporary and historical data across both the Buenahora exploration and Novales mining permits.

The San Jose Mine is nearby (~9km) to the world class Reocin Mine which is the largest known strata-bound carbonate-hosted Zn-Pb deposit in Spain¹ and one of the world's richest MVT deposits². Further it is within trucking distance (~80km) from the San Juan de Nieva zinc smelter operated by Asturiana de Zinc (100% owned by Glencore). Significantly, the Novales-Udias Project includes a number of granted mining tenements³.

Novales-Udias Project Highlights

- Near term zinc production opportunity (subject to positive exploration and development work)
- Maiden JORC compliant Mineral Resource Estimate of 1.08 Mt at 9% Zn defined in Q4/2023
- Large tenement holding of +100 km² (including a number of granted mining tenements)
- Regional exploration potential for further discoveries analogous to Reocin (total past production and remaining resource 62Mt @ 8.7% Zn and 1.0% Pb^{4,5})
- Novales Mine is within trucking distance (~ 80km) from the zinc smelter in Asturias
- Classic MVT carbonate hosted Zn-Pb deposits
- Historic production of high-grade zinc; average grade reported as ~7% Zn⁶
- Simple mineralogy of sphalerite – galena – calamine
- Mineralisation is strata-bound, epigenetic, lenticular and sub-horizontal
- Reported historic production of super high grade 'bolsas' (mineralised pods and lenses) commonly 10-20% Zn and in some instances +30% Zn⁷
- Assay results of recent targeted grab samples taken from within the underground Novales Mine recorded 31.83% Zn and 62.3% Pb⁸
- Access and infrastructure all in place
- Local community and government support due to historic mining activity

¹ Velasco, F., Herrero, J.M., Yusta, I., Alonso, J.A., Seebold, I. and Leach, D., (2003) 'Geology and Geochemistry of the Reocin Zinc-Lead Deposit, Basque-Cantabrian Basin, Northern Spain' Econ. Geol. v.98, pp. 1371-1396.

² Leach, D.L., Sangster, D.F., Kelley, K.D., Large, R.R., Garven, G., Allen, C.R., Gutzner, J., Walters, S., (2005) 'Sediment-hosted lead-zinc deposits: a global perspective'. Econ. Geol. 100th Anniversary Special Paper 561 607

³ Refer to ASX announcement of 29 July 2019

⁴ Velasco, F., Herrero, J.M., Yusta, I., Alonso, J.A., Seebold, I. and Leach, D., 2003 - Geology and Geochemistry of the Reocin Zinc-Lead Deposit, Basque-Cantabrian Basin, Northern Spain: in Econ. Geol. v.98, pp. 1371-1396.

⁵ Cautionary Statement: references in this announcement to the publicly quoted resource tonnes and grade of the Project are historical and foreign in nature and not reported in accordance with the JORC Code 2012, or the categories of mineralisation as defined in the JORC Code 2012. A competent person has not completed sufficient work to classify the resource estimate as mineral resources or ore reserves in accordance with the JORC Code 2012. It is uncertain that following evaluation and/or further exploration work that the foreign/historic resource estimates of mineralisation will be able to be reported as mineral resources or ore reserves in accordance with the JORC Code 2012.

⁶ These figures have been taken from historical production data from the School of Mines in Torrelavega historical archives.

⁷ Reports of the super high-grade mineralisation are supported with historical production data from the School of Mines in Torrelavega historical archives. (Refer ASX release 29 July 2019)

⁸ Refer to ASX Announcement of 19 December 2020

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Figure 1. Summary of the Novales-Udias Project

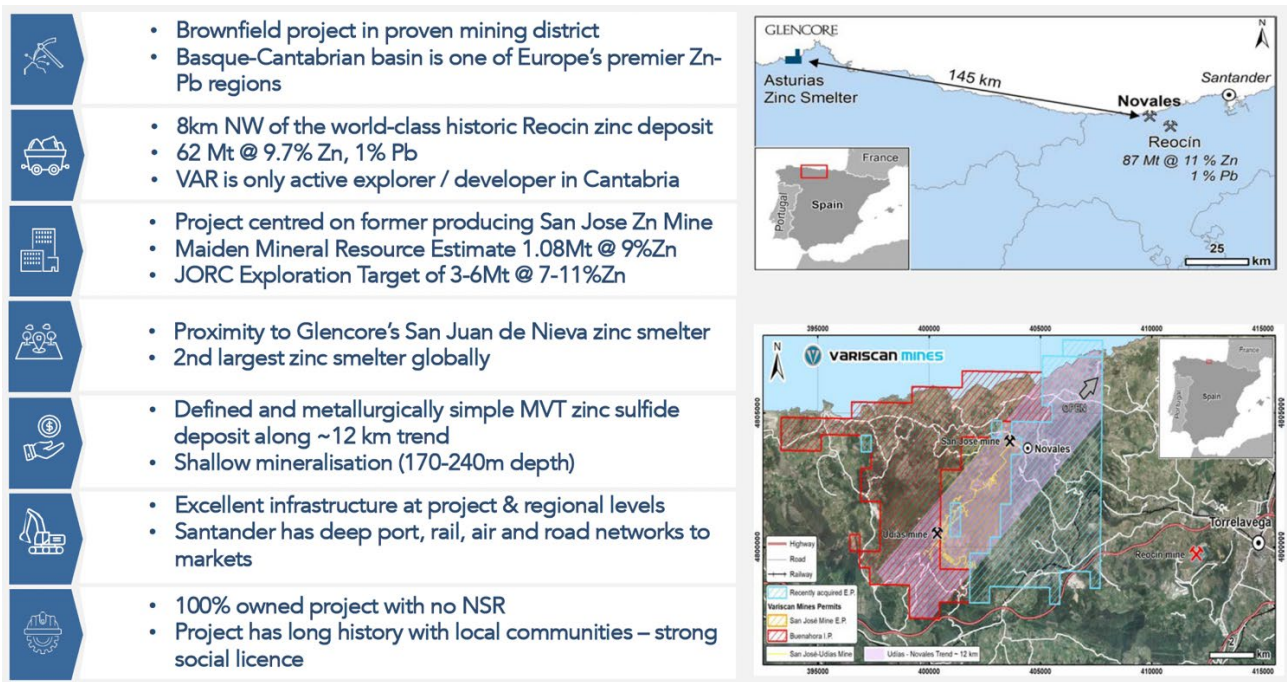


Figure 2. Map of Novales-Udias Project Licence Areas with Udiás Mine highlighted

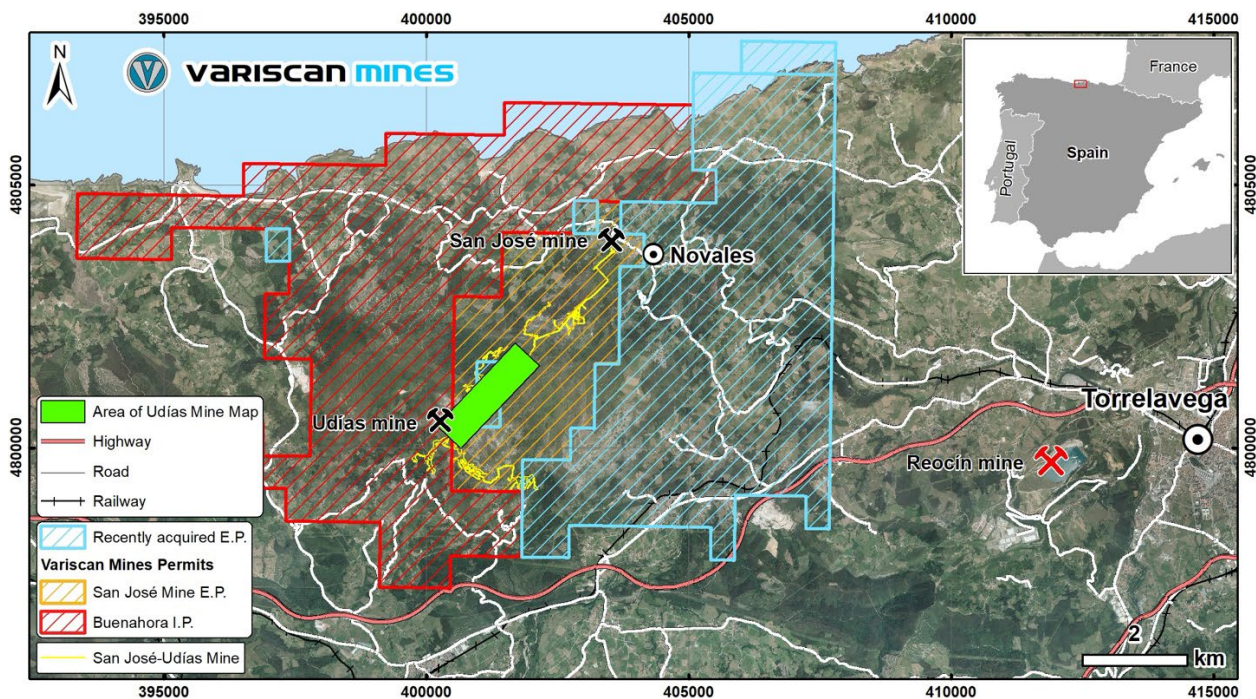
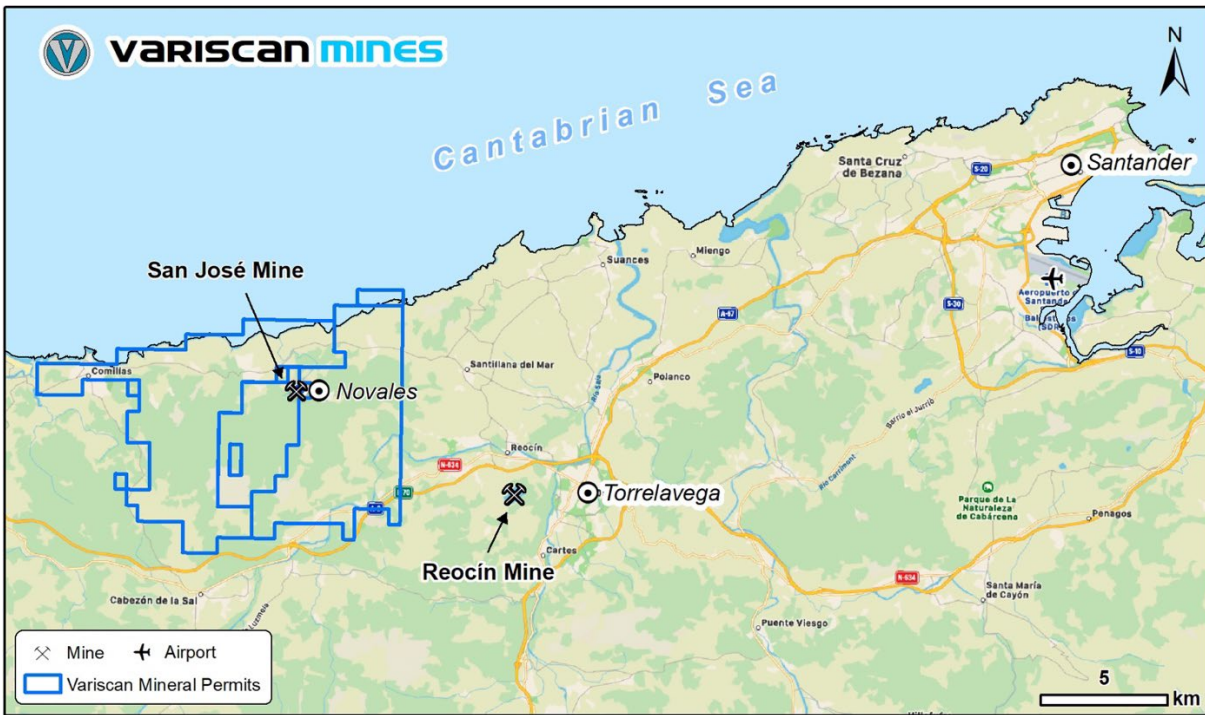


Figure 3. Map of Novales-Udias Project Licence Areas and local infrastructure



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VARISCAN MINES LIMITED
ACN 003 254 395

ENTITLEMENT ISSUE PROSPECTUS

For a pro-rata renounceable entitlement issue of two (2) Shares for every three (3) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.007 per Share together with one (1) free New Option for every four (4) Shares applied for and issued to raise up to \$2,067,335 (based on the number of Shares on issue as at the date of this Prospectus) (**Offer**).

This Prospectus also contains the Secondary Offers, which are detailed further in Section 2.2.

This Offer is fully underwritten by Whairo Capital Pty Ltd (ACN 618 944 568) (Corporate Authorised Representative (number 1282684) of Redleaf Securities Pty Ltd (ACN 606 000 800) the holder of Australian Financial Services Licence number 510097) (**Underwriter**). Refer to Section 6.4.1 for details regarding the terms of the underwriting.

IMPORTANT NOTICE

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

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

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IMPORTANT NOTICE

This Prospectus is dated 26 September 2024 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

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

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

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

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

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

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

No Investment Advice

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

Forward-looking statements

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

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

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important

factors, many of which are beyond the control of the Company, the Directors and the Company's management.

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

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

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 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 Shares 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, Germany, Spain, Singapore and United Kingdom (together, the **Permitted Jurisdictions**).

For further information on overseas Shareholders please refer to Section 2.10.

Continuous disclosure obligations

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

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

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

arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to Section 6.2 for further details.

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 issued under this Prospectus. The Company and the Lead Manager 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.variscan.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.variscan.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must reside in the Permitted Jurisdictions and must only access this Prospectus from within the Permitted Jurisdictions.

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 via email at info@variscan.com.au.

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

Company Website

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

Financial forecasts

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

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

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

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

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

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 8.

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

Privacy statement

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

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

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

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

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offer please email the Company Secretary on mark.pitts@automicgroup.com.au.

CORPORATE DIRECTORY

Directors

Anthony Wehby
Non-Executive Chairman

Stewart Dickson
Managing Director & CEO

Nick Farr-Jones
Non-Executive Director

Frank Bierlein
Non-Executive Director

Company Secretary

Mark Pitts

ASX Code

VAR

Registered Office

Level 5
191 St Georges Terrace
PERTH WA 6000

Telephone: +61 8 9316 9100

Email: info@variscan.com.au

Website: www.variscan.com.au

Auditor*

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

Share Registry*

Boardroom Pty Ltd
GPO Box 3993
SYDNEY NSW 2001

Telephone: +61 2 9290 9600

Legal Advisers

Steinepreis Paganin
Lawyers and Consultants
Level 14, QV1 Building
250 St Georges Terrace
PERTH WA 6000

Lead Manager and Underwriter

Whairo Capital Pty Ltd
c/- Giacca Partners Pty Ltd
136 Fitzmaurice Street
WAGGA WAGGA NSW 2650

Telephone: +61 412 436 907

Email: jarrod@whairocap.com

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

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1. KEY OFFER INFORMATION

1.1 Timetable

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

1.2 Key statistics of the Offer

Shares

	FULL SUBSCRIPTION ¹
Offer Price per Share	\$0.007
Entitlement Ratio (based on existing Shares)	2:3
Shares currently on issue	443,000,368
Shares to be issued under the Offer	295,333,578
Gross proceeds of the issue of Shares	\$2,067,335
Shares on issue post-Offer	738,333,946

Notes:

1. Assuming the Full Subscription of \$2,067,335 is achieved under the Offer.
2. Refer to Section 4.1 for the terms of the Shares.

Options

	FULL SUBSCRIPTION ¹
Offer Price per New Option	nil

	FULL SUBSCRIPTION ¹
New Option Entitlement Ratio (based on Shares subscribed for)	1:4
Options currently on issue ²	65,888,890
New Options to be issued pursuant to the Offer ^{2,3}	73,833,394
Lead Manager Options ⁴	5,000,000
Underwriter Options ⁵	73,833,394
Gross proceeds of the issue of New Options ³	\$nil
Options on issue post-Offer	218,555,678

Notes:

1. Assuming the Full Subscription of \$2,067,335 is achieved under the Offer.
2. Refer to Section 4.2 for the terms of the Options currently on issue.
3. Refer to Section 4.2 for the terms of the New Options.
4. Refer to Section 6.4.1 for further details of the Underwriting Agreement.
5. Refer to Section 6.4.3 for further details of the Lead Manager Mandate.

1.3 Key Risk Factors

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

1.4 Directors' Interests in Securities

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

DIRECTOR	SHARES	OPTIONS	SHARE ENTITLEMENT	NEW OPTION ENTITLEMENT	\$
Anthony Wehby ¹	1,164,461	1,500,000	776,307	194,076	\$5,434
Stewart Dickson ²	13,824,450	3,000,000	9,216,300	2,304,075	\$64,514
Nick Farr-Jones ³	1,523,955	1,500,000	1,015,970	253,992	\$7,112
Frank Bierlein ⁴	388,411	1,500,000	258,941	64,735	\$1,812

Notes:

1. Comprising:
 - (a) 1,500,000 Options held directly by Mr Wehby; and
 - (b) 1,164,461 Shares held indirectly by Mrs R Wehby, the spouse of Mr Wehby.
2. All Securities are held indirectly by FELDI Limited, an entity wholly controlled by Mr Dickson.
3. All Securities are held directly by Mr Farr-Jones.
4. All Securities are held directly by Mr Bierlein.

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

1.5 Details of Substantial Holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

SHAREHOLDER	SHARES	%
Zinc GroupCo Pty Ltd	100,000,000	22.57%
Slipstream Resources International Pty Ltd ATF Slipstream Capital A/C	43,891,667	9.91%
Citicorp Nominees Pty Limited	35,490,626	8.01%
Delphi Unternehmensberatung Aktiengesellschaft and Hansjoerg Plaggemars	29,628,750	6.69%

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

1.6 Lead Manager

Whairo Capital Pty Ltd (ACN 618 944 568) (Corporate Authorised Representative (number 1282684) of Redleaf Securities Pty Ltd (ACN 606 000 800) the holder of Australian Financial Services Licence number 510097) (**Lead Manager** or **Whairo**) has been appointed as the lead manager of the Offer. Terms of the lead manager mandate and total fees payable are set out in Section 6.4.3 below.

1.7 Underwriting and sub-underwriting

The Offer is fully underwritten by Whairo (**Underwriter**). Refer to Section 6.4.1 for details of the terms of the underwriting.

The Underwriter has entered into sub-underwriting agreements with the following five entities (**Sub-Underwriters**) in respect of the Shortfall Securities such that the Offer is fully sub-underwritten.

- (a) Zinc GroupCo who has agreed to sub-underwrite up to A\$1,000,000;
- (b) Powerhouse Ventures Ltd who has agreed to sub-underwrite up to \$250,000;
- (c) Offelbar Pty Ltd who has agreed to sub-underwrite up to \$250,000;
- (d) Kalonda Pty Ltd who has agreed to sub-underwrite up to \$500,000; and
- (e) Spelt Kent Pty Ltd who has agreed to sub-underwrite up to \$67,335,

Refer to Section 6.4.2 for summaries of the agreements entered into with the Sub-Underwriters.

Other than as set out in Section 1.9, no sub-underwriter will increase their shareholding to above 19.99% as a direct result of the issue of Securities under the Offer. Where Shares are issued pursuant to the exercise of New Options, the voting power of the sub-underwriters who exercise their New Options will increase. The likelihood of New Options being exercised is dependent on the price of Shares from time to time until the New Options expire.

1.8 Effect on Control – Whairo

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

Other than as set out in Section 1.9, the Underwriter will allocate the Shortfall to sub-underwriters and/or clients and people who have otherwise agreed to assist with the completion of the Offer such that neither the Underwriter, the sub-underwriters nor any of

the Underwriter's clients, individually, will have a voting power in the Company in excess of 19.9% after the issue of the Shortfall.

1.9 **Effect on Control – Zinc GroupCo Sub-Underwriting**

Zinc GroupCo is presently the Company's largest substantial holder and is not a related party of the Company for the purposes of the Corporations Act. The issue of Shares under this Prospectus to Zinc GroupCo may increase its interest in the Company and dilute the Shareholding of other Shareholders to the extent they elect not to participate in the Offer or are ineligible to participate in the Offer.

Zinc GroupCo has confirmed that it will not take up its Entitlement under the Offer.

As at the date of this Prospectus, Zinc GroupCo has a voting power of 22.57% (100,000,000 Shares).

Pursuant to the sub-underwriting agreement between the Underwriter and Zinc Group Co, Zinc GroupCo may only take up a maximum of 142,857,142 Shares and 35,714,285 Options (**Zinc GroupCo Sub-Underwritten Amount**) under the Offer equating to a maximum aggregate holding by Zinc GroupCo of 242,857,142 Shares which would result in a maximum potential shareholding of 33% upon completion of the Offer.

No breach of section 606 of the Corporations Act will occur as such subscription and issue of Shares will fall within the exception to section 606 of the Corporations Act under Item 10 of section 611 of the Corporations Act.

Zinc GroupCo has informed the Company that it:

- (a) has no intention of making any significant changes to the business of the Company or its board of directors;
- (b) does not currently intend to inject further capital into the Company (other than in the event it is required to partially underwrite the Offer) but reserves the right to participate in further capital raisings of the Company;
- (c) has no intention of making changes regarding the future employment of the present employees of the Company;
- (d) has no intention to redeploy any fixed assets of the Company;
- (e) has no intention to transfer any property between the Company and any other entity; and
- (f) has no intention to change the Company's existing policies in relation to financial or dividend policies.

These present intentions are based on information concerning the Company, its business and the business environment which is known to Zinc GroupCo at the date of this Prospectus.

1.10 **Potential dilution on non-participating Shareholders**

In addition to potential control impacts set out in Section 1.8, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 40% (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 who do not participate in the Offer, are likely to be diluted by a further of, approximately, 17.13% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus).

Further, subject to Shareholder approval of the issue of the Options the subject of the Lead Manager Offer and Underwriter Offer at the Meeting, subsequent exercise of any or all of the Underwriter Options and Lead Manager Options will result in further dilution.

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

HOLDER	HOLDING AS AT RECORD DATE	% AT RECORD DATE	ENTITLEMENTS UNDER THE OFFER	HOLDINGS IF OFFER NOT TAKEN UP	% POST OFFER
Shareholder 1	10,000,000	2.26%	6,666,667	10,000,000	1.35%
Shareholder 2	5,000,000	1.13%	3,333,333	5,000,000	0.68%
Shareholder 3	1,500,000	0.34%	1,000,000	1,500,000	0.20%
Shareholder 4	400,000	0.09%	266,667	400,000	0.05%
Shareholder 5	50,000	0.01%	33,333	50,000	0.01%

Notes:

1. This is based on a share capital of 443,000,368 Shares as at the date of the Prospectus and assumes no Options currently on issue or other Shares are issued including New Options are exercised.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Underwriting and Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

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2. DETAILS OF THE OFFER

2.1 The Offer

The Offer is being made as a pro-rata renounceable entitlement issue of two (2) Shares for every three (3) Shares held by Shareholders registered at the Record Date at an issue price of \$0.007 per Share together with one (1) New Option for every four (4) Shares subscribed for and issued. Fractional entitlements will be rounded down to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no Shares are issued prior to the Record Date including on exercise or conversion of securities on issue) approximately 295,333,578 Shares and 73,833,394 New Options may be issued under the Offer to raise up to \$2,067,335. No funds will be raised from the issue of the New Options.

As at the date of this Prospectus the Company has 65,888,890 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to the Shares. The New Options will be exercisable at \$0.015 on or before two years from the date of issue and otherwise on the terms set out in Section 4.2.

The purpose of the Offer and the intended use of funds raised are set out in Section 3.

2.2 Secondary Offers

This Prospectus includes the two following Secondary Offers to Whairo:

- (a) Pursuant to the Lead Manager Mandate, the Company has agreed to issue 5,000,000 Options (**Lead Manager Options**) as part consideration for the lead manager services provided to the Company in connection with the Offer (**Lead Manager Offer**). Accordingly no funds will be raised from the issue of the Lead Manager Options. The Lead Manager Options will be issued, subject to shareholder approval, on the terms and conditions set out in Section 4.3. Further details of the Lead Manager Mandate is set out in Section 6.4.3.
- (b) Pursuant to the Underwriting Agreement, 73,833,394 New Options (**Underwriter Options**) as part consideration for underwriting services provided to the Company in connection with the Offer (**Underwriter Offer**). Accordingly no funds will be raised from the issue of the Underwriter Options. The Underwriter Options will be issued, subject to shareholder approval, on the same terms and conditions as the New Options, as set out in Section 4.2. Further details of the Underwriting Agreement is set out in Section 6.4.1.

The Lead Manager Offer and Underwriter Offer are collectively referred to as the **Secondary Offers**.

Only Whairo may accept the Secondary Offers and an Application Form in relation to the Secondary Offers will be provided to Whairo, together with a copy of this Prospectus.

All Shares issued on exercise of the Lead Manager Options and Underwriter Options will rank equally with the Shares on issue as at the date of this Prospectus.

The Secondary Offers are subject to and conditional on the Company obtaining the approval of Shareholders for the issue of Lead Manager Options and, separately, the Underwriter Options at a general meeting to be held on or around November 2024.

2.3 What Eligible Shareholders may do

The number of Securities to which Eligible Shareholders are entitled is shown on the personalised Entitlement and Acceptance Form accompanying this Prospectus. Eligible Shareholders may choose any of the options set out in the table below.

OPTION	KEY CONSIDERATIONS	FOR MORE INFORMATION
Take up all of your Entitlement	<ul style="list-style-type: none"> Should you wish to accept all of your Entitlement, then your application for Securities under this Prospectus must be made by following the instructions on the personalised Entitlement and Acceptance Form accompanying this Prospectus. Please read the instructions carefully. Payment can be made by the methods set out in Section 2.4. As set out in Section 2.4, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form unless you are an overseas shareholder. 	Sections 2.4 and 2.5.
Take up all of your Entitlement and also apply for Shortfall Securities	<ul style="list-style-type: none"> Should you wish to accept all of your Entitlement and apply for Shortfall Securities, then your application for your Entitlement and additional Shortfall Securities under this Prospectus must be made by following the instructions on your personalised Entitlement and Acceptance Form accompanying this Prospectus. Please read the instructions carefully. Payment can be made by the methods set out in Section 2.4. Payment should be made for your Entitlement and the amount of the Shortfall for which you are applying. If you apply for Shortfall Securities beyond your Entitlement you are deemed to have accepted your Entitlement in full. You should note that the allocation of Shortfall Securities is at the Company's absolute discretion as per the allocation policy set out in Section 2.7. Accordingly, your application for additional Shortfall Securities may be scaled-back. The Company's decision on the number of Shortfall Securities to be allocated to you will be final. 	Sections 2.4, 2.5 and 2.7.
Sell all of your Entitlement on ASX	<ul style="list-style-type: none"> The Entitlements under the Offer are renounceable which means that all or part of an Eligible Shareholder's rights to subscribe for Securities under the Offer may be traded on ASX. If you wish to sell all of your Entitlement on ASX, provide instructions to your stockbroker regarding the Entitlement you wish to sell on ASX. Trading of Entitlements will commence on ASX on 1 October 2024 and will cease on 16 October 2024. There is no guarantee that an Eligible 	N/A

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OPTION	KEY CONSIDERATIONS	FOR MORE INFORMATION
	<p>Shareholder will be able to sell all or any part of their Entitlement on ASX or that any particular price will be paid for the Entitlements sold on ASX.</p>	
<p>Take up a proportion of your Entitlement and sell the balance on ASX</p>	<ul style="list-style-type: none"> If you wish to take up only part of your Entitlement, your application must be made by completing the personalised Entitlement and Acceptance Form accompanying this Prospectus, for the number of Securities you wish to take up and making payment using the methods set out in Section 2.4 below. As set out in Section 2.4, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form unless you are an overseas shareholder. Subsequently, provide instructions to your stockbroker regarding the proportion of your Entitlement you wish to sell on ASX. 	<p>Sections 2.4 and 2.5</p>
<p>Take up a proportion of your Entitlement and allow the balance to lapse</p>	<ul style="list-style-type: none"> If you wish to take up only part of your Entitlement and allow the balance to lapse, your application must be made by completing the personalised Entitlement and Acceptance Form accompanying this Prospectus for the number of Securities you wish to take up and making payment using the methods set out in Section 2.4 below. As set out in Section 2.4, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form unless you are an overseas shareholder. 	<p>Sections 2.4 and 2.5</p>
<p>Sell all or a proportion of your Entitlement other than on ASX</p>	<ul style="list-style-type: none"> You may elect to transfer all or a proportion of your Entitlement to another person other than on ASX. If the purchaser of your Entitlement is an Ineligible Shareholder or a person that would be an Ineligible Shareholder if they were a registered holder of Shares, that purchaser will not be able to take up the Entitlement they have purchased. If you are a Shareholder on the issuer sponsored subregister and you wish to transfer all or a proportion of your Entitlement to another person other than on ASX, forward a completed standard renunciation and transfer form (obtainable from the Share Registry) and the applicable transferee's cheque for the Shares they wish to subscribe for payable to "Variscan Mines Limited" and crossed "Not Negotiable" to the Share Registry by post at any time after the issue of this Prospectus and on or before the Closing Date at the following address: By Post: Boardroom Pty Limited Level 8 10 George Street Sydney NSW 2000 	<p>N/A</p>

OPTION	KEY CONSIDERATIONS	FOR MORE INFORMATION
	<ul style="list-style-type: none"> If you wish to transfer all or a proportion of your Entitlement to or from another person on the CHESS subregister you must engage your CHESS controlling participant (usually your stockbroker). If the transferee wants to exercise some or all of the Entitlement, you should follow your 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 Share Registry. 	
<p>Allow all or part of your Entitlement to lapse</p>	<ul style="list-style-type: none"> Shareholders should be aware that their Entitlement may have value. Entitlement are renounceable, which enable Eligible Shareholders who do not wish to take up part or all of their Entitlement to seek to sell or trade all or some of their Entitlement on ASX or otherwise. If you do not wish to accept or trade any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement or dispose of your Entitlement by the Closing Date, the Offer to you will lapse. 	N/A

2.4 Payment options

(a) By BPAY®

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

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

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. **It is your responsibility to ensure that funds submitted through BPAY® are received by 5:00pm (AEDT) Wednesday, 23 October 2024 on the Closing Date. The Company shall not be responsible for any delay in the receipt of the BPAY® payment.**

Guidance where you have more than one CRN (Shareholding of Shares)

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. **Do not use the same CRN for more than one of your Shareholdings.** This can result in your Application monies being applied to your Entitlement in respect of only

one of your Shareholdings (with the result that any Application in respect of your remaining Shareholdings will not be valid).

(b) **By Electronic Funds Transfer (overseas applicants)**

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

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

(c) **By Cheque**

Payment by cheque or cash will not be accepted.

2.5 Implications of an acceptance

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

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

2.6 Minimum subscription

As the Offer is fully underwritten, there is no minimum subscription.

2.7 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer. (**Shortfall Securities**). The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.007 being the price at which Shares have been offered under the Offer.

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

Eligible Shareholders who wish to subscribe for Securities above their Entitlement are invited to apply for Shortfall Securities under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shortfall Securities in accordance with Section 2.4.

Allocation of the Shortfall Securities will be as follows:

- (a) firstly, Shortfall Securities will be allocated to Eligible Shareholders who have subscribed for their full Entitlement and applied for Shortfall Securities. If the Shortfall Offer is oversubscribed (i.e. the number of Shortfall Securities applied for exceeds the Shortfall), scale back will be applied to applications under the Shortfall Offer at the discretion of the Board (in consultation with the Underwriter),

including by reference to the Eligible Shareholders' voting power and the number of Shortfall Securities applied for by the Eligible Shareholder. There is no guarantee that Eligible Shareholders will receive Shortfall Securities applied for under the Shortfall Offer; and

- (b) secondly, Shortfall Securities will be allocated subject to the terms of the Underwriting Agreement, details of which are set out in Section 6.4.1.

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

2.8 ASX listing

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

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

The Company will not apply for Official Quotation of the New Options issued pursuant to this Prospectus. The Company may consider applying for quotation of the New Options in the future, subject to meeting all regulatory and ASX Listing Rule requirements. There is no commitment or guarantee that this will occur.

2.9 Issue of Securities

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

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

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

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

2.10 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 Shares will not be issued to Shareholders with a registered address which is outside Australia, New Zealand, Germany, Spain, Singapore or United Kingdom (together, the **Permitted Jurisdictions**).

New Zealand

This Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and

regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This Offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Aust) and the regulations made under that Act set out how the offer must be made.

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

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

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

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

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

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

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

European Union (Germany and Spain)

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

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

Singapore

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

This document has been given to you on the basis that you are an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

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

United Kingdom

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

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

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

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

Nominees and custodians

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

2.11 Appointment of Nominee

Pursuant to ASX Listing Rule 7.7 and section 615 of the Corporations Act, the Company has appointed a nominee, Whairo, 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 will seek to obtain ASIC approval for the appointment of the 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.

Shareholders resident in Australia or New Zealand holding Securities on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

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3. PURPOSE AND EFFECT OF THE OFFER

3.1 Purpose of the Offer

The purpose of the Offer is to raise up to \$2,067,335 before costs.

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

ITEM	PROCEEDS OF THE OFFER	FULL SUBSCRIPTION (\$)	%
1.	Ongoing exploration ¹	780,000	37.73
2.	Re-start study ¹	200,000	9.67
3.	Administration and Working capital ²	897,335	43.41
4.	Expenses of the Offer ³	190,000	9.19
	Total	2,067,335	100.00

Notes:

1. Exploration and evaluation work (items 1 and 2 above) will total \$980,000 and will be focused on the Company's Novales-Udias Project in the Cantabrian Region of Spain. In addition to ongoing field work, exploration drilling at Novales and underground drilling at the Udias Mine will be undertaken, to provide additional data for a mineral resource upgrade and to supplement the work to be done for an intended mine re-start study.
2. Administration costs incorporate Director fees and salaries; corporate secretarial, accounting and related corporate expenses together with additional working capital to be applied towards the review of additional complimentary prospects and corporate development opportunities and general working capital purposes.
3. Refer to Section 6.8 for further details relating to the estimated expenses of the Offer.

On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve its stated objectives.

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

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

3.2 Effect of the Offer

The principal effect of the Offer and Secondary Offers, assuming Shareholder approval is obtained in relation to the issue of Underwriter Options and Lead Manager Options (as set out in Section 2.2), all Entitlements are accepted, and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, will be to:

- (a) increase the cash reserves by \$1,877,335 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer;
- (b) increase the number of Shares on issue from 443,000,368 as at the date of this Prospectus to 738,333,946 Shares; and
- (c) increase the number of Options on issue from 65,888,890 as at the date of this Prospectus to 218,555,678 Options.

3.3 Effect on capital structure

The effect of the Offer and Secondary Offers on the capital structure of the Company, assuming Shareholder approval is obtained in relation to the issue of Underwriter Options and Lead Manager Options (as set out in Section 2.2), all Entitlements are accepted, and

no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, is set out below.

Shares¹

	NUMBER
Shares currently on issue	443,000,368
Shares offered pursuant to the Offer ²	295,333,578
Total Shares on issue after completion of the Offer³	738,333,946

Notes:

1. Refer to Section 4.1 for the terms of the Shares
2. Assuming the Full Subscription of \$2,067,335 is achieved under the Offer.
3. Following completion of the Offer, the Company intends to seek Shareholder approval to issue a 8,333,333 Shares each to Anthony Wehby and FELDI Limited (an entity controlled by Stewart Dickson) at the next upcoming general meeting of Shareholders (**Meeting**) pursuant to existing loan agreements. Further, the Company intends to seek Shareholder approval to issue a further 4,571,428 Shares to Nicholas Farr-Jones at the upcoming Meeting, pursuant to an existing loan agreement.

Options

	NUMBER
Options currently on issue ¹	
Unquoted Options exercisable at \$0.045 on or before 30 November 2024	4,000,000
Unquoted Options exercisable at \$0.055 on or before 30 November 2024	4,000,000
Unquoted Options exercisable at \$0.065 on or before 30 November 2024	4,000,000
Unquoted Options exercisable at \$0.0275 on or before 15 March 2025	51,388,890
Unquoted Options exercisable at \$0.12 on or before 30 September 2024	2,500,000
Total Options on issue as at the date of this Prospectus	65,888,890
New Options to be issued pursuant to the Offer ^{2,3}	73,833,394
Lead Manager Options to be issued pursuant to the Lead Manager Offer ^{4,6}	5,000,000
Underwriter Options to be issued pursuant to the Underwriter Offer ^{5,6}	73,833,394
Total Options on issue after completion of the Offer⁷	218,555,678

Notes:

1. Refer to Section 4.2 for the terms of the Options currently on issue
2. Assuming the Full Subscription of \$2,067,335 is achieved under the Offer.
3. Refer to Section 4.2 for the terms of the New Options.
4. Subject to Shareholder approval, upon completion of the Offer, Whairo (or its nominee) shall be issued 5,000,000 Lead Manager Options.
5. Subject to Shareholder approval, upon completion of the Offer, Whairo (or the Sub-Underwriters, as directed by Whairo) shall be issued a further 73,833,394 Underwriter Options.
6. Subject to Shareholder approval and assuming that no Shareholders participate in the Offer, and that Whairo takes up the full Underwritten Amount, Whairo will be entitled to 152,666,788 Options comprising the New Options issued pursuant to the Offer, the Lead Manager Options and the Underwriter Options. As the Offer is fully sub-underwritten, it is expected that the majority of the New Options and Underwriter Options will be allotted amongst the Sub-Underwriters.

7. Following completion of the Offer, the Company intends to seek Shareholder approval to issue the following Options at the Meeting:
- 4,166,666 Options each to Anthony Wehby and FELDI Limited (an entity controlled by Stewart Dickson) pursuant to existing loan agreements.
 - 2,285,714 Options to Nicholas Farr-Jones pursuant to an existing loan agreement; and
 - 24,500,001 Options to sophisticated and professional investors who participated in the placement as announced by the Company on 22 July 2024.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 508,889,258 Shares and on completion of the Offer and Secondary Offers (assuming shareholder approval is sought to issue the Lead Manager Options and Underwriter Options, all Entitlements are accepted, and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date) would be 956,889,624 Shares.

No Shares or Options on issue are subject to escrow restrictions, either voluntary or ASX imposed.

3.4 Pro-forma balance sheet

The unaudited balance sheet as at 30 June 2024 and the unaudited pro-forma balance sheet as at 30 June 2024 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

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

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

	UNAUDITED 30 June 2024 \$	PROFORMA Full Raise \$
Current assets		
Cash	250,260	2,427,595
Other current assets	122,784	122,784
Total current assets	373,044	2,550,379
Non-current assets		
Plant and equipment	61,765	61,765
Exploration and evaluation expenditure	9,331,873	9,331,873
Other non-current assets	66,737	66,737
Total non-current assets	9,460,375	9,460,375
Total assets	9,833,419	12,010,754
Current liabilities		
Creditors and borrowings	509,617	509,617
Total current liabilities	509,617	509,617
Total liabilities	509,617	509,617
Net assets (liabilities)	9,323,802	11,501,137

	UNAUDITED 30 June 2024 \$	PROFORMA Full Raise \$
Equity		
Share capital	36,066,871	38,244,206
Options reserve	302,259	302,259
Retained loss	(27,045,328)	(27,045,328)
Total equity	9,323,802	11,501,137

Notes:

Cash movement based on full subscription less costs of the offer (see Section 6.8).

4. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

4.1 Rights and liabilities attaching to Shares

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

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

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company. The Company's constitution permits the use of technology at general meetings of shareholders (including wholly virtual meetings) to the extent permitted under the Corporations Act, Listing Rules and applicable law.

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

(b) Voting rights

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

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

(c) Dividend rights

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

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

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

- (d) Winding-up**
- If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.
- The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.
- (e) Shareholder liability**
- As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.
- (f) Transfer of shares**
- Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.
- (g) Future increase in capital**
- The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.
- (h) Variation of rights**
- Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.
- If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.
- (i) Alteration of constitution**
- In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

4.2 Terms of New Options and Underwriter Options

- (a) Entitlement**
- Each Option entitles the holder to subscribe for one (1) Share upon exercise of the Option.
- (b) Exercise Price**
- Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.015 (**Exercise Price**)

- (c) **Expiry Date**
- Each Option will expire at 5:00 pm (WST) two years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) **Exercise Period**
- The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
- (e) **Notice of Exercise**
- The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- (f) **Exercise Date**
- A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).
- (g) **Timing of issue of Shares on exercise**
- Within 5 Business Days after the Exercise Date, the Company will:
- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
- If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.
- (h) **Shares issued on exercise**
- Shares issued on exercise of the Options rank equally with the then issued shares of the Company.
- (i) **Reconstruction of capital**
- If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (j) **Participation in new issues**
- There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

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

(l) **Transferability**

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

4.3 Terms of Lead Manager Options

(a) **Entitlement**

Subject to paragraph (m), each Lead Manager Option entitles the holder to subscribe for one Share upon exercise of the Lead Manager Option.

(b) **Exercise Price and Expiry Date**

Subject to paragraphs (j) and (l), the amount payable upon exercise of each Lead Manager Option will be \$0.015 (**Exercise Price**).

(c) **Expiry Date**

Each Lead Manager Option will expire at 5:00 pm (WST) on the date that is two years from the date of issue (**Expiry Date**). A Lead Manager Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Lead Manager Options are exercisable at any time on and from the date on which the Company's share price achieving a 60-day volume-weighted average price (**VWAP**) of at least \$0.015, until the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

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

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

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Lead Manager Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Lead Manager Options.

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

(h) **Shares issued on exercise**

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

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

Application will be made by the Company to ASX for quotation of the Shares issued upon exercise of the Lead Manager Options.

(j) **Reconstruction of capital**

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

(k) **Participation in new issues**

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

(l) **Adjustment for rights issue**

In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Lead Manager Options, the Exercise Price will be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.

(m) **Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

(i) the number of Shares or other securities which must be issued on the exercise of an Lead Manager Option will be increased by the number of Shares or other securities which the Lead Manager Optionholder would have received if the Lead Manager Optionholder had exercised the Lead Manager Option before the record date for the bonus issue; and

(ii) no change will be made to the Exercise Price.

(n) **Transferability**

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

5. RISK FACTORS

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

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

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

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

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

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

5.1 Company specific

RISK CATEGORY	RISK
Potential for dilution	<p>In addition to potential control impacts set out in Section 1.8, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 40% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).</p> <p>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 who do not participate in the Offer, are likely to be diluted by an aggregate of approximately 17.13% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus).</p> <p>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 being implemented and the Directors do not make any representation as to such matters.</p> <p>The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.01 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.</p>
Control risk - Whairo	<p>The Underwriter has entered into sub-underwriting agreements with five sub-underwriters, including Zinc GroupCo. In the unlikely event that the Sub-Underwriters could not settle their obligations under the sub-underwriting agreements, the Underwriter would need to take up the remaining Shortfall.</p> <p>As set out in Section 1.8 above, other than as set out in Section 1.9, the Underwriter will allocate the Shortfall to sub-underwriters and/or clients and people who have otherwise agreed to assist with the completion of the Offer such that neither the Underwriter, the sub-underwriters nor any of the Underwriter's</p>

RISK CATEGORY	RISK
	<p>clients, individually, will have a voting power in the Company in excess of 19.9% after the issue of the Shortfall. As such, the Board considers the control risk associated with the Underwriter is mitigated.</p>
<p>Control risk - Zinc GroupCo Pty Ltd</p>	<p>Zinc GroupCo is currently the largest Shareholder of the Company and has a relevant interest in approximately 22.57% of the Shares in the Company. Zinc GroupCo has also agreed to partially sub-underwrite the Offer.</p> <p>Assuming Zinc GroupCo takes up only the Zinc GroupCo Sub-Underwritten Amount (i.e Zinc GroupCo does not take up its Entitlement under the Offer), Zinc GroupCo's voting power in the Company could be as high as 33%.</p> <p>Zinc GroupCo's significant interest in the capital of the Company means that it is able to potentially influence the financial decisions of the Company, and its interests may not align with those of all other Shareholders.</p> <p>Upon completion of the Offer, Zinc GroupCo may hold a relevant interest in more than 25% of the Company (refer above to Section 1.8 for the potential voting power of Zinc GroupCo in various scenarios). If Zinc GroupCo's interest was to increase above 25%, it would mean that it would have 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 in relation to approve certain Company matters including potentially 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.</p>
<p>Additional requirements for capital</p>	<p>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 and scale back its exploration programmes as the case may be. 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.</p>
<p>Going Concern</p>	<p>The Company's 31 December 2023 half year financial report (Financial Report) includes a note on the financial condition of the Company and the possible existence of a material uncertainty about the Company's ability to continue as a going concern.</p> <p>Notwithstanding the 'going concern' qualification included in the Financial Report, the Directors believe that upon the successful completion of the Offer, the Company will have sufficient funds to adequately meet the Company's current exploration commitments and short-term working capital requirements. However, it is highly likely that further funding will be required to meet the medium to long-term working capital costs of the Company.</p>

RISK CATEGORY	RISK
	<p>In the event that the Offer is not completed successfully there is significant uncertainty as to whether the Company can continue as a going concern which is likely to have a material adverse effect on the Company's activities.</p>
<p>Exploration and Operations</p>	<p>The mineral exploitation concessions comprising the Company's projects are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.</p> <p>There can be no assurance that future exploration of these licences, or any other mineral licences that may be acquired in the future, will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.</p> <p>The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns or adverse weather conditions, unanticipated operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and staff, native title process, changing government regulations and many other factors beyond the control of the Company.</p> <p>The success of the Company will also depend upon the Company being able to maintain title to the exploitation concessions comprising its projects and obtaining all required approvals for their contemplated activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the projects, a reduction in the cash reserves of the Company and possible relinquishment of one or more of the concessions comprising the projects.</p>
<p>Sovereign risk</p>	<p>The Company's projects are located in Australia, Spain and Chile.</p> <p>Possible sovereign risks associated with operating in Spain and Chile include, without limitation, changes in the terms of mining legislation, changes to royalty arrangements, changes to taxation rates and concessions and changes in the ability to enforce legal rights. Any of these factors may, in the future, adversely affect the financial performance of the Company and the market price of its shares.</p>
<p>Operations in Spain</p>	<p>The Company is subject to governmental, political, economic, and other uncertainties in Spain including, but not limited to, expropriation of property, changes in mining policies or the personnel administering them, all of which could affect the Company's access to its projects and subsequent exploration and development.</p> <p>Adverse changes in government policies or legislation in Spain affecting foreign ownership of mineral interests, taxation, profit repatriation, royalties, land access, labour relations, and mining and exploration activities may affect the operations of the Company.</p>
<p>Enforcing liabilities against assets outside of Australia</p>	<p>Much of the Company's assets are located outside Australia. As a result, it may be difficult to enforce judgments obtained in Australian courts against those assets. In addition, there is</p>

RISK CATEGORY	RISK
	<p>uncertainty as to whether the courts of the Spain and or any other jurisdiction in which the Company may operate would recognise or enforce judgments of Australian courts based on provisions of the laws of Australia. Furthermore, because the majority of the Company's assets are or will be located outside Australia, it may be difficult to access those assets to satisfy an award entered for the Company in Australia. Consequently, Shareholders may have more difficulty in protecting their interests as a result of actions taken by management, the Board or controlling Shareholders than they would as shareholders of a company with assets in Australia.</p>
Title Risk	<p>The Company holds exploitation and research concessions which are not subject to a renewal process other than the payment of an annual fee, except for the San José permit which is pending approval of the Restoration Plan. The Company could lose ownership or its interest in the concessions if sufficient funds were not available to meet the statutory payments. Exploitation concessions are subject to a specific term and therefore do have an expiry date. Concessions are usually for 30 years, extendable to 60 years and a maximum of 90 years. The San José concession is now in the middle of its first extension.</p> <p>Government approvals and permits are currently, and may in the future be, required in connection with the Company's operations. To the extent such approvals are required, and not obtained, the Company may be curtailed or prohibited from proceeding with planned exploration or development of its projects.</p>
Aboriginal significant sites	<p>The Company is required by Commonwealth and State legislation to identify and protect sites of significance to Aboriginal custom and tradition.</p> <p>It is possible that one or more sites of significance will exist in one or more of the Company's prospective projects. If any such sites are identified it may have the potential to halt exploration activities and impact upon the planning and implementation of future exploration programmes in circumstances where a declaration is made for the protection and preservation of the site or object.</p> <p>A halt to exploration activities on certain tenements may adversely affect the profitability of the Company.</p>

5.2 Industry specific

RISK CATEGORY	RISK
Exploration Costs	<p>The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainty, and accordingly, the actual costs may materially differ from the 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 impact the Company's viability.</p>
Resource and Reserves and Exploration Targets	<p>The Company has identified a number of exploration targets based on geological interpretations and limited geophysical data, geochemical sampling and historical drilling. Insufficient data however, exists to provide certainty over the extent of the mineralisation. Whilst the Company intends to undertake</p>

RISK CATEGORY	RISK
	<p>additional exploratory work with the aim of defining a resource, no assurances can be given that additional exploration will result in the determination of a resource on any of the exploration targets identified. Even if a resource is identified no assurance can be provided that this can be economically extracted.</p> <p>Reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature resource and reserve estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate.</p>
<p>Grant of future authorisations to explore and mine</p>	<p>If the Company discovers an economically viable mineral deposit that it then intends to develop, it will, among other things, require various approvals, licence and permits before it will be able to mine the deposit. There is no guarantee that the Company will be able to obtain all required approvals, licenses and permits. To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected.</p>
<p>Mine Development</p>	<p>Possible future development of mining operations at the Projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.</p> <p>If the Company commences production on one of the Projects, its operations may be disrupted by a variety of risks and hazards which are beyond the control of the Company. No assurance can be given that the Company will achieve commercial viability through the development of the Projects.</p> <p>The risks associated with the development of a mine will be considered in full should the Projects reach that stage and will be managed with ongoing consideration of stakeholder interests.</p>
<p>Regulatory Compliance</p>	<p>The Company's operating activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, 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 other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.</p> <p>While the Company believes that it is in substantial compliance with all material current laws and regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Company or its properties, which could have a material adverse impact on the</p>

RISK CATEGORY	RISK
	<p>Company's current operations or planned development projects.</p> <p>Obtaining necessary permits can be a time-consuming process and there is a risk that 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 the 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 the concessions.</p>
<p>Environmental</p>	<p>Mining and exploration has become subject to increasing environmental responsibility and liability in Australia and Chile, and is largely untested on this scale in Spain. The potential for liability is an ever-present risk.</p> <p>The use and disposal of chemicals in the mining industry is under constant legislative scrutiny and regulation. Exploration work will be carried out in a way that causes a minimum impact on the environment. Consistent with this, the Company may be required, in some cases, to undertake baseline environmental studies prior to certain exploration or mining activities, so that the environmental impact can be monitored and, as far as possible, minimised.</p> <p>While the Company is not presently aware of any endangered species of fauna and flora within any of its projects, no baseline environmental studies have been undertaken to date, and discovery of such could prevent further work in certain areas. The discovery of any endangered species of fauna and flora may impact upon our ability to freely explore the Company's projects.</p>
<p>Climate Risk</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 attributable to the Company include:</p> <ul style="list-style-type: none"> (a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and (b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as

RISK CATEGORY	RISK
	shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.
Commodity price volatility and exchange rate	<p>If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.</p> <p>Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets</p>
Competition	The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company.

5.3 General risks

RISK CATEGORY	RISK
Economic	General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.
Market conditions	<p>Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> (a) general economic outlook; (b) introduction of tax reform or other new legislation; (c) interest rates and inflation rates; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; and (f) terrorism or other hostilities. <p>The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p>

RISK CATEGORY	RISK
Litigation risks	The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.
Dividends	Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.
Taxation	<p>The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.</p>
Reliance on key personnel	The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.
Economic conditions and other global or national issues	<p>General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, development and production activities, as well as on its ability to fund those activities.</p> <p>General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.</p>

5.4 Speculative investment

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

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

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

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

For personal use only

6. ADDITIONAL INFORMATION

6.1 Litigation

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

6.2 Continuous disclosure obligations

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

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

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

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

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

DATE	DESCRIPTION OF ANNOUNCEMENT
20 September 2024	Appendix 3B
20 September 2024	Corporate and Operations Update
10 September 2024	Historic High Grade Zinc Assays Outside Resource at Udias
2 September 2024	Change in Substantial Shareholders Notice
23 August 2024	Cleansing Statement
23 August 2024	Application for quotation of securities – VAR
23 August 2024	Additional Funding Provided by Major Shareholder
13 August 2024	Agreement for Marketing and Sale of Future Zinc Production
8 August 2024	Notification of cessation of securities
31 July 2024	Quarterly Activities and Cash Flow Reports
25 July 2024	Cleansing Notice

DATE	DESCRIPTION OF ANNOUNCEMENT
23 July 2024	Change of Interests of Substantial Holders
22 July 2024	Proposed issue of securities - VAR
22 July 2024	Application for quotation of securities - VAR
22 July 2024	Interim Funding Completed
11 July 2024	Thick Zn Drill Intersects Outside Existing Mineral Resource
30 April 2024	Quarterly Activities and Cash Flow Reports
8 April 2024	New Licences Awarded Increase Size of Novales-Udias Project
15 March 2024	Half Year Financial Report
4 March 2024	Further High-Grade Zinc Drill Results at San Jose Mine
23 February 2024	Geology & Technical Investor Update Webinar
20 February 2024	Change of Registered Office
19 February 2024	Structural & Geological Assessment Reveals New Drill Targets
31 January 2024	Quarterly Activities and Cash Flow Reports
29 January 2024	Lease of San Jose Mine Site & Facilities Extended
23 January 2024	Becoming a substantial holder
19 January 2024	Notification regarding unquoted securities - VAR
19 January 2024	Application for quotation of securities - VAR
19 January 2024	Issue of Securities
4 January 2024	Becoming a substantial holder
28 December 2023	Notification regarding unquoted securities - VAR
28 December 2023	Application for quotation of securities - VAR
28 December 2023	Securities Issue
18 December 2023	Investor Presentation December 2023
15 December 2023	Notification of Directors' Interests
13 December 2023	Notification of cessation of securities - VAR
13 December 2023	Option Expiry
12 December 2023	Application for quotation of securities - VAR
12 December 2023	Application for quotation of securities - VAR
12 December 2023	Issue of Securities
28 November 2023	Maiden High Grade Mineral Resource Estimate - San Jose Mine
28 November 2023	Pause in Trading
15 November 2023	Results of Meeting
15 November 2023	Investor Presentation

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

The announcements are also available through the Company's website www.variscan.com.au/site/investor-centre/asx-announcements.

6.3 Market price of Shares

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

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

	(\$)	DATE
Highest	\$0.01	26 August 2024, 20 September 2024, 23 September 2024 – 25 September 2024
Lowest	\$0.005	27 - 28 June 2024
Last	\$0.01	25 September 2024

6.4 Material Contracts

6.4.1 Underwriting Agreement

The Company has entered into an underwriting agreement with Whairo (**Underwriting Agreement**), the material terms and conditions of which are summarised below:

Conditions Precedent	<p>The obligation of the Underwriter under the Underwriting Agreement to subscribe for Shortfall Securities is subject to the satisfaction of each of the following outstanding conditions precedent:</p> <ul style="list-style-type: none">(a) the Underwriter receiving a shortfall notice by 9:30am on 24 October 2024 (Shortfall Notification Date);(b) ASX indicating in writing it will grant permission for the quotation of the New Shares on or before the date set out in the timetable set out in Section 1.1;(c) on and before the Shortfall Notification Date the Company providing evidence to the satisfaction of the Underwriter that the exception set out in Item 10 of Section 611 of the Corporations Act applies in relation to the Offer, including of the appointment of the Underwriter or another person as "nominee" for the "ineligible shareholders" of the Company under the Offer and ASIC's confirmation of the approval of that nominee for the purposes of section 615 of the Corporations Act; and(d) on and before the Shortfall Notification Date the Prospectus complying with the Corporations Act, all relevant ASIC Instruments, policies and requirements, the ASX Listing Rules, and all relevant ASX policies and requirements. <p>If one or more of these conditions precedent is not satisfied by the relevant date specified above, the Underwriter, may, acting reasonably, terminate the Underwriting Agreement by notice in writing to the Company.</p>
Fees	<p>The Company agrees to pay the Underwriter the following:</p> <ul style="list-style-type: none">(a) an underwriting fee of 4.5% of the Underwritten Amount; and(b) 73,833,394 Options, subject to Shareholder approval.

	<p>If Shareholder approval is not obtained for the issue of Underwriter Option and/or the Underwriter Options are not issued for any reason, by no later than 8 weeks of the date on which the Offer closes (Closing Date), the Company will be required to pay to Whairo (or at its direction) an amount equal to the value of the Underwriter Options in cash (Equity Compensation), based on the value of the Underwriter Options as at the Closing Date as set out in the Bloomberg options model calculator, with such payment to be made on the earlier of the day after the 8 week deadline expires or the date that shareholder approval is denied.</p>
<p>Sub-Underwriting</p>	<p>The Underwriter has entered into sub-underwriting agreements with five entities pursuant to which the Offer is fully sub-underwritten.</p> <p>The appointment of any sub-underwriter and the allocation of an Underwritten Securities is at the discretion of the Underwriter in consultation with the Company. The Underwriter must pay, out of the fees payable under the Agreement, any commissions and other fees payable to the sub-underwriters of the Offer.</p>
<p>Immediate Termination Events</p>	<p>If any of the following events occur at any time after the date of the Underwriting Agreement, the Underwriter may terminate all its obligations under the Underwriting Agreement by reasonable notice to the Company:</p> <ul style="list-style-type: none"> (a) the All 300 Index as published by ASX falls 10% or more below its level as at close of business on the date of this Underwriting Agreement; (b) the Company does not lodge the Prospectus on or prior to the Lodgement Date or the Prospectus or the Offer is withdrawn by the Company; (c) the Company chooses to or comes under an obligation, (including in accordance with the Corporations Act), to issue a supplementary or replacement prospectus or to repay any moneys received by the Company from any applicant, and fails to do so other than in relation to the inclusion of this Underwriting Agreement; (d) ASIC gives notice of intention to hold a hearing in relation to the Prospectus under section 739(2) of the Corporations Act or makes an order under sections 739(1), 739(3) or 739(4) of the Corporations Act; (e) ASIC gives notice of intention to hold a hearing examination, inspection, investigation, or it requires information to be disclosed, in connection with the Company, the Prospectus or the Issue; (f) an order is made in connection with the Prospectus or the Issue, including under sections 1324 and 1325 of the Corporations Act; (g) any director or general manager of the Company is prosecuted for a criminal offence; (h) there is an omission from, or a statement which is, or has become, false or misleading in the Prospectus and such omission or statement is or is likely to be materially adverse from the point of view of an investor; (i) any person, other than the Underwriter, who has previously consented to being named in the Prospectus, withdraws that consent whether publicly or not;

	<ul style="list-style-type: none"> (j) the Prospectus is withdrawn by the Company at any time prior to all the Shares and New Options having been allotted or issued, as the case may be; (k) ASIC gives notice of an intention to prosecute the Company, any director or employee of the Company (or any Related Party of the Company), unless it withdraws that intention in writing on or before the Closing Date; (l) the Takeovers Panel makes a declaration of unacceptable circumstances in relation to the Issue or otherwise makes an order prohibiting the Issue from proceeding; (m) trading in the Company's Shares are suspended at any time up to the Allotment Date; (n) ASX does not or indicates to the Company or the Underwriter that it will not permit official quotation of the New Shares to commence; and (o) if ASIC or ASX queries or investigates any acceptances for Shares that were not made in writing by the applicant pursuant to an application form under the Prospectus.
<p>Rights of termination – material adverse events</p>	<p>If any of the following events occur at any time after the date of the Underwriting Agreement and the event has a material adverse effect the Underwriter may terminate all its obligations under the Underwriting Agreement by notice to the Company:</p> <ul style="list-style-type: none"> (a) the Company or any of its Related Parties fail to comply with: <ul style="list-style-type: none"> (i) a clause of its Constitution; (ii) a statute; or (iii) any policy or guideline of ASIC or any other requirement, order or request made by or on behalf of ASIC or any governmental agency; (b) the Company or any of its Related Parties charges or agrees to charge (or grant any other form of security) over the whole or a substantial part of its business or property to any third party; (c) there is a delay in any date specified in the Timetable which is greater than 2 Business Days, except with the prior written consent of the Underwriter; (d) the Company or any of its Related Parties: <ul style="list-style-type: none"> (i) disposes or agree to dispose of the whole or a substantial part of its business or property; or (ii) ceases or threatens to carry on business, <p>in either case, without the prior written consent of the Underwriter; or</p> (e) if a new circumstance has arisen since the Prospectus was lodged and would have been required under Chapter 6D of the Corporations Act to be included in the Prospectus if it had arisen before the Prospectus was lodged and is, or is likely to be, materially adverse from the point of view of an investor; or (f) hostilities, political or civil unrest not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities, political or civil

	<p>unrest occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United States of America, the United Kingdom, any member state of the European Union, Japan, Indonesia, North Korea or the Peoples Republic of China, 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;</p> <p>(g) there is:</p> <p>(i) introduced into the Parliament of the Commonwealth of Australia or an Australian State or Territory a law intended to come into effect within 12 months; or</p> <p>(ii) any official announcement on behalf of the Government of the Commonwealth of Australia or of the Government of an Australian State or Territory that a law will be introduced or policy adopted (as the case may be) with effect from the date of the announcement or within 3 months afterwards,</p> <p>which has altered adversely or could reasonably be expected to alter adversely:</p> <p>(iii) any condition or circumstances relating to the Issue or the Prospectus existing at the time of execution of this Agreement; or</p> <p>(iv) the income tax position of the Company.</p>
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6.4.2 Sub-Underwriting Agreements

The Underwriter has entered into sub-underwriting agreements with five sub-underwriters (**Sub-Underwriters**), comprising:

- (a) Zinc GroupCo who has agreed to sub-underwrite up to A\$1,000,000;
- (b) Powerhouse Ventures Ltd who has agreed to sub-underwrite up to \$250,000;
- (c) Offelbar Pty Ltd who has agreed to sub-underwrite up to \$250,000;
- (d) Kalonda Pty Ltd who has agreed to sub-underwrite up to \$500,000; and
- (e) Spelt Kent Pty Ltd who has agreed to sub-underwrite up to \$67,335,

(together, the **Sub-Underwriting Agreements**).

The Sub-Underwriting Agreements, including the Zinc GroupCo Sub-Underwriting Agreement, have been entered on fundamentally the same terms. The material terms and conditions of the Sub-Underwriting Agreements are summarised below:

Fee	<p>Whairo will pay each Sub-Underwriter:</p> <p>(a) a fee of 4.5% of the amount which equals the Shares sub-underwritten multiplied by \$0.007 per Share (inclusive of GST);</p> <p>(b) one (1) Underwriter Option for every four (4) Shares sub-underwritten, subject to Shareholder approval.</p> <p>If Shareholder approval is not obtained for the issue of Underwriter Option and/or the Underwriter Options are not issued for any reason, by no later than 8 weeks of the Closing Date, the Company will be required to pay to Whairo (or at its direction) Equity Compensation, based on the value of the Underwriter</p>
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	Options as at the Closing Date as set out in the Bloomberg options model calculator, with such payment to be made on the earlier of the day after the 8 week deadline expires or the date that shareholder approval is denied. If this occurs, the payment of the Equity Compensation will be directed by Whairo to be paid to the Sub-Underwriter.
Termination Events	The Sub-Underwriting Agreements shall terminate if the Underwriters' obligations under the Underwriting Agreement cease or are terminated.

The Sub-Underwriting Agreements otherwise contain provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

6.4.3 Lead Manager Mandate

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

Fees	<p>Under the terms of this engagement, the Company has agreed to pay the Lead Manager:</p> <ul style="list-style-type: none"> (a) a cash management fee of 1.5% (plus GST) of the total funds raised under the Offer; and (b) 5,000,000 New Options (Lead Manager Options). <p>The issue of Lead Manager Options are subject to Shareholder approval and will be issued on the terms set out in Section 4.3.</p> <p>If Shareholder approval is not obtained for the issue of Lead Manager Options and/or the Lead Manager Options are not issued for any reason, by no later than 8 weeks of the Closing Date, the Company will be required to pay to Whairo an amount equal to the value of the Lead Manager Options in cash, based on the value of the Lead Manager Options as at the Closing Date as set out in the Bloomberg options model calculator, with such payment to be made on the earlier of the day after the 8 week deadline expires or the date that shareholder approval is denied.</p>
Expenses Thresholds	<ul style="list-style-type: none"> (a) \$1,000 for any individual expense or in aggregate; and (b) \$10,000 plus GST for the Lead Manager's legal fees.
Termination	<p>Termination with Notice: The Company and the Lead Manager may terminate the Lead Manager Mandate and the provision of the Services at any time by giving 7 days' notice in writing to the other party.</p> <p>Termination without Notice: the Company and the Lead Manager may terminate the Lead Manager Mandate if either party commits a breach of this Engagement Letter that has a material and adverse effect on the other party and fails to remedy (if capable of remedy) that breach within 7 days of receiving writing notice from the other party; or an Insolvency Event occurs in relation to either party.</p>

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

6.5 Interests of Directors

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

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

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

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

Security holdings

The relevant interest of each of the Directors in the Securities as at the date of this Prospectus, together with their respective Entitlement, is set in Section 1.4.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The current amount has been set at an amount not to exceed \$250,000 per annum.

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

The following table shows the total (and proposed) annual remuneration paid and proposed to be paid to both executive and non-executive Directors for FY45 and FY25.

DIRECTOR	FY ENDED 30 JUNE 2024	FY ENDING 30 JUNE 2025
Anthony Wehby ¹	\$50,000	\$50,000
Stewart Dickson ²	\$274,100	\$274,110
Nick Farr-Jones ³	\$36,000	\$36,000
Frank Bierlein ⁴	\$36,000	\$36,000

Notes:

1. Comprising, \$50,000 in directors fees, \$Nil in superannuation payments and \$Nil in share-based payments.
2. Comprising, \$274,100 in consulting fees, \$Nil in superannuation payments and \$Nil in share-based payments.
3. Comprising, \$36,000 in directors fees, \$Nil in superannuation payments and \$Nil in share-based payments.

4. Comprising, \$36,000 in directors fees, \$Nil in superannuation payments and \$Nil in share-based payments.

6.6 Interests of experts and advisers

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

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

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

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

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

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

Whairo has acted as the underwriter and lead manager of the Offer. The Company estimates it will pay Whairo \$124,040 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Whairo has not received any fees from the Company for any other services.

Whairo has also been appointed as the nominee under section 615 of the Corporations Act. Whairo will be paid for this service on standard industry terms and conditions.

Zinc GroupCo has acted as a sub-underwriter of the Offer. The Underwriter estimates it will pay Zinc GroupCo \$45,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Zinc GroupCo received \$65,000 associated with a capital raising announced on 9 March 2023, but has not received any fees from the Company for any other services.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$20,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$46,446 (excluding GST and disbursements) for legal services provided to the Company.

6.7 Consents

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

Each of the parties referred to in this Section:

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

Whairo has given its written consent to being named as the Underwriter and Lead Manager to the Offer in this Prospectus.

Whairo has also given its consent to be named as the Company's nominee under section 615 of the Corporations Act. Whairo has not caused or authorised the issue of this Prospectus, and expressly disclaims and takes no responsibility for, any part of this Prospectus.

Zinc GroupCo has given their written consent to being named as a Sub-Underwriter to the Offer in this Prospectus.

Zinc GroupCo (including its related entities) is a Shareholder of the Company and currently has a relevant interest in 100,000,000 Shares. Zinc GroupCo has indicated that it does not intend to subscribe for its Entitlement under the Offer.

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

6.8 Expenses of the Offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$190,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	6,693
ASX fees	9,931
Underwriting fee	93,030
Lead Manager fees	31,010
Legal fees	25,000
Printing and distribution	15,000
Miscellaneous	9,336
Total	190,000

7. DIRECTORS' AUTHORISATION

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

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

For personal use only

8. GLOSSARY

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

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

ASIC means the Australian Securities and Investments Commission.

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

ASX Listing Rules means the listing rules of the ASX.

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

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

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

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

Company means Variscan Mines Limited (ACN 003 254 395).

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

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

CRN means Customer Reference Number in relation to BPAY@.

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

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

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

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

Ineligible Shareholder means a Shareholder as at the Record Date whose registered address is not situated in Australia, New Zealand, Singapore, Germany, Spain or United Kingdom.

Lead Manager or Whairo or Underwriter or Nominee means Whairo Capital Pty Ltd (ACN 618 944 568) (Corporate Authorised Representative (number 1282684) of Redleaf Securities Pty Ltd (ACN 606 000 800) the holder of Australian Financial Services Licence number 510097).

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

Offer means the renounceable entitlement issue the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Prospectus means this prospectus.

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

Section means a section of this Prospectus.

Securities means Shares and/or Options as the context requires.

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

Shareholder means a holder of a Share.

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

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

Shortfall Offer means the offer of the Shortfall Securities on the terms and conditions set out in Section 2.7.

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

Sub-Underwriters has the meaning given in Section 6.4.2.

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

Zinc GroupCo means Zinc GroupCo Pty Ltd (ACN 663 095 225).