

Prospectus

Nelson Resources Limited

ACN 127 620 482

For a non-renounceable pro rata offer to Eligible Shareholders of approximately 294 million New Shares at an issue price of \$0.005 per New Share on the basis of 1 New Share for every 1 existing Share held, to raise up to approximately \$1.47 million before issue costs.

Eligible Shareholders may, in addition to their Entitlement, apply for Shortfall Shares

ASX Code: NES

The Offer is partially underwritten by Mahe Capital Pty Limited for \$1 million.

This Prospectus provides important information about the Company. You should read the entire document including the Entitlement and Acceptance Form. If you have any questions about the New Shares being offered under this Prospectus, or any other matter relating to an investment in the Company, you should consult your professional adviser. An investment in the New Shares offered under this Prospectus is highly speculative.

This Prospectus is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This Prospectus is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

Important Notice

This Prospectus is dated 21 October 2022 and was lodged with ASIC on that date. Application has been made to ASX for quotation of the New Shares offered under this Prospectus.

Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. No securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Nature of this Prospectus

The New Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the official list of the ASX during the 12 months prior to the issue of this Prospectus.

This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the 3 months prior to the date of the prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. 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.

This Prospectus contains information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in it. It does not include all of the information that would be included in a prospectus for an initial public offer.

Prospectus availability

Eligible Shareholders can obtain a copy of this Prospectus during the Offer period on the Company's website at www.nelsonresources.com.au or by contacting the Company. If you access an electronic copy of this Prospectus, you should ensure that you download and read the entire Prospectus.

The electronic copy of this Prospectus available from the Company's website will not include a personalised Entitlement and Acceptance Form. Eligible Shareholders will only be able to accept the Offer by following the instructions on a personalised Entitlement and Acceptance Form which accompanies this Prospectus and by making payment using BPAY® or EFT (refer to section 6.5 of this Prospectus for further information).

Foreign jurisdictions

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are residents in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it should not be lawful to make such an offer.

Disclaimer of representations

No person is authorised to provide any information or make any representation in connection with the Offer which is not contained in this Prospectus.

Forward looking statements

This Prospectus contains forward looking statements that, despite being based on the Company's current expectations about future events, are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors. These known and unknown risks, uncertainties and assumptions, could cause actual results, performance or achievements to materially differ from future results, performance or achievements expressed or implied by forward-looking statements in this Prospectus. These risks, uncertainties and assumptions include, but are not limited to, the risks outlined in section 6 of this Prospectus. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'believe', 'should', 'will', 'may' and similar expressions.

Privacy

Please read the privacy information located in section 7.15 of this Prospectus. By submitting an Entitlement and Acceptance Form, you consent to the matters outlined in that section.

Definitions

Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in the Glossary.

Enquiries

If you have any questions please call the Company Secretary on +61 8 9481 0389 at any time between 8.00am and 5.00pm (AWST) Monday to Friday until the Closing Date. Alternatively, consult your broker, accountant or other professional adviser.

Table of Contents

1	TIMETABLE TO THE OFFER	4
2	KEY OFFER TERMS AND CAPITAL STRUCTURE	4
3	INVESTMENT OVERVIEW AND KEY RISKS.....	5
4	PURPOSE AND EFFECT OF THE OFFER	8
5	RISK FACTORS	11
6	ACTIONS REQUIRED BY ELIGIBLE SHAREHOLDERS.....	17
7	DETAILS OF THE OFFER.....	19
8	RIGHTS AND LIABILITIES ATTACHING TO SECURITIES.....	26
9	ADDITIONAL INFORMATION	28
10	DIRECTORS' RESPONSIBILITY AND CONSENT	34
11	GLOSSARY	35
12	PRO FORMA STATEMENT OF FINANCIAL POSITION	37

Corporate Directory

Directors

Mr Jonathan Shellabear	Non-executive Chairman
Mr Stephen Brockhurst	Non- executive Director
Mr Daniel Smith	Non- executive Director

Company Secretary

Stephen Brockhurst

Website

<https://nelsonresources.com.au/>

Registered Office

Level 8, London House
216 St Georges Terrace
Perth WA 6000
Tel: +61 8 9481 0389
Email: info@nelsonresources.com.au

Share Registry*

Automic Registry Services Pty Limited
Tel: 1300 288 664 (within Australia)
+61 2 9698 5414 (international)
Email: hello@automic.com.au
www.automicgroup.com.au

Lead Manager and Underwriter

Mahe Capital Pty Limited (AFSL 517246)

Auditor*

Criterion Audit Pty Limited

Solicitor to the Offer

Atkinson Corporate Lawyers

*This party is named for informational purposes only and was not involved in the preparation of this Prospectus.

1 TIMETABLE TO THE OFFER

Ex date - Shares trade ex Entitlement (Ex Date)	25 October 2022
Record date to determine Entitlement (Record Date)	26 October 2022
Prospectus with Entitlement and Acceptance Form dispatched	28 October 2022
Offer opens for receipt of Applications	
Closing date for acceptances	11 November 2022
Notify ASX of under-subscriptions	18 November 2022
Issue of New Shares	
Dispatch of shareholding statements	
Normal trading of New Shares expected to commence	21 November 2022
Last date to issue Shortfall Shares (see section 7.6)	11 February 2022

Note: The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date, subject to such date being no later than 3 months after the date of this Prospectus. As such the date the New Shares are expected to continue trading on ASX may vary.

2 KEY OFFER TERMS AND CAPITAL STRUCTURE

	Underwritten Amount	Full Subscription
Shares currently on issue	294,297,164	294,297,164
Total convertible securities currently on issue	89,351,397	89,351,397
New Shares offered under this Prospectus, on a 1 for 1 basis ¹	200,000,000	294,297,164
Issue price per New Share	\$0.005	\$0.005
Amount raised under this Prospectus (before costs) ¹	\$1,000,000	\$1,471,485
Total Shares on issue following the Offer	494,297,164	588,594,328
Total convertible securities on issue following the Offer	89,351,397	89,351,397

¹ This assumes no further Shares are issued prior to the Record Date

3 INVESTMENT OVERVIEW AND KEY RISKS

This information is a selective overview only. Prospective investors should read the Prospectus in full before deciding to invest in New Shares.

Question	Response	Where to find more information																								
What is the Offer?	<p>1 New Share for every 1 existing Share held on the Record Date at an issue price of \$0.005.</p> <p>The Offer seeks to issue up to approximately 294 million New Shares to raise up to approximately \$1.47 million (before costs) if fully subscribed.</p> <p>The Offer is partially underwritten by Mahe Capital for \$1 million.</p>	Section 8																								
Am I an Eligible Shareholder?	<p>The Offer is made to Eligible Shareholders, being Shareholders who:</p> <p>(a) are the registered holder of Shares as at 7.00pm (AEDT) on the Record Date; and</p> <p>(b) have a registered address in Australia or New Zealand.</p>	Section 8.5																								
How will the proceeds of the Offer be used?	<p>The Company will use funds raised under the Offer as follows:</p> <table border="1"> <thead> <tr> <th>Use of funds</th> <th>Underwritten Amount \$</th> <th>Full Subscription \$</th> </tr> </thead> <tbody> <tr> <td>Drilling</td> <td>500,000</td> <td>500,000</td> </tr> <tr> <td>Assays</td> <td>90,000</td> <td>90,000</td> </tr> <tr> <td>Geophysics Surveys</td> <td>50,000</td> <td>50,000</td> </tr> <tr> <td>Exploration Other</td> <td>-</td> <td>200,000</td> </tr> <tr> <td>Working Capital and existing creditors</td> <td>221,598</td> <td>453,239</td> </tr> <tr> <td>Costs of the Offer</td> <td>138,402</td> <td>178,247</td> </tr> <tr> <td>Total</td> <td>1,000,000</td> <td>1,471,486</td> </tr> </tbody> </table>	Use of funds	Underwritten Amount \$	Full Subscription \$	Drilling	500,000	500,000	Assays	90,000	90,000	Geophysics Surveys	50,000	50,000	Exploration Other	-	200,000	Working Capital and existing creditors	221,598	453,239	Costs of the Offer	138,402	178,247	Total	1,000,000	1,471,486	Section 4.2
Use of funds	Underwritten Amount \$	Full Subscription \$																								
Drilling	500,000	500,000																								
Assays	90,000	90,000																								
Geophysics Surveys	50,000	50,000																								
Exploration Other	-	200,000																								
Working Capital and existing creditors	221,598	453,239																								
Costs of the Offer	138,402	178,247																								
Total	1,000,000	1,471,486																								
What are the key risks of a subscription	<p>An investment in the Company has risks that you should consider before making a decision to invest. These risks include:</p>	Section 6																								

Question	Response	Where to find more information
<p>under the Offer?</p>	<ul style="list-style-type: none"> • Exploration risk - Funds raised under the Offer will be used predominately for exploration on the Company’s exploration projects in Western Australia. Whilst historically \$16 million of exploration work has been undertaken by others and the Company on the project areas, to date no resource has been announced. There is a risk that the proposed exploration will not be successful and no large resource discovered. • Future capital needs and additional funding - The Company recorded a net loss (audited) of \$2.318m for the year ending 30 June 2022. As at 30 June 2022, it had approximately \$1.057m cash on hand. • The Company’s ability to raise further capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to the Company will vary according to a number of factors, including exploration success, and commodity and equity markets. <p>Please carefully consider these risks and the information contained in other sections of this Prospectus before deciding whether or not to apply for New Shares.</p>	
<p>Is the Offer underwritten?</p>	<p>The Offer is partially underwritten by Mahe Capital Pty Limited for \$1 million. The underwriting is subject to conditions and terminating events which are typical for an entity in the Company’s circumstances.</p>	<p>Section 7.4</p>
<p>Is the Offer subject to any conditions?</p>	<p>The minimum subscription under the Offer is \$1,000,000, being the partially underwritten amount of the Offer.</p>	<p>Section 7.2</p>
<p>What will be the effect of the Offer on control of the Company?</p>	<p>The effect of the Offer on control of the Company will vary with the level of Entitlements taken up by Eligible Shareholders and the number of Shortfall Shares placed in the Shortfall Offer.</p> <p>No Shareholder may increase their voting power above 20% as a result of the Offer.</p>	<p>Section 4.5</p>
<p>How do I apply for New Shares and</p>	<p>Applications for New Shares and Shortfall Shares can be made by Eligible Shareholders following the instructions set out in the personalised Entitlement and Acceptance</p>	<p>Section 6.2</p>

Question	Response	Where to find more information
Shortfall Shares under the Offer?	Form that accompanies this Prospectus, and by transferring the subscription amount by BPAY or EFT for the amount of Entitlement and Shortfall Shares applied for.	
Can I sell my Entitlements under the Offer?	The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.	Section 6.1
How will the Shortfall Shares be allocated?	Eligible Shareholders can apply for Shortfall Shares. The Directors reserve the right to place any Shortfall Shares at their discretion within 3 months of the Closing Date.	Section 7.6
How can I obtain further advice?	Contact the Company Secretary on +61 9481 0389 at any time between 8.00am and 5.00pm (AWST) Monday to Friday until the Closing Date. Alternatively, consult your broker, accountant or other professional adviser.	

4 PURPOSE AND EFFECT OF THE OFFER

4.1 Introduction

The Company is seeking to raise up to approximately \$1.47 million before issue costs under the Offer at a price of \$0.005 per Share on the basis of 1 New Share for every 1 existing Share held as at the Record Date,.

Shareholders may, in addition to their Entitlement apply for Shortfall Shares.

The Offer is partially underwritten by Mahe Capital Pty Limited (AFSL 517246) for \$1 million.

4.2 Purpose of the Offer

The Company intends to use the funds received to complete its planned drilling programs and expand upon its exploration programs at its Woodline, Fortnum and Tempest projects, and for working capital. These expanded programs will include additional drilling and geophysics programs.

The Directors intend to apply the proceeds from the Offer as follows:

Use of funds (\$)	Underwritten Amount	Full Subscription
Drilling (including current program)	500,000	500,000
Assays	90,000	90,000
Geophysics Surveys	50,000	50,000
Exploration Other	-	200,000
Working Capital and existing creditors	221,598	453,239
Costs of the Offer	138,402	178,247
Total	1,000,000	1,471,486

Notes:

- 1 This table is a statement of the proposed application of the funds raised as at the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the Company's decisions. The Company reserves the right to vary the way funds are applied.
- 2 Funds raised will, in the event less than Full Subscription is received, be allocated firstly towards the costs of the Offer and then proportionally as set out above.
- 3 General working capital is for corporate administration and operating costs (including directors' fees, ASX and share registry fees, legal, tax and audit fees, insurance and travel costs).
- 4 See section 9.6 for further details relating to the estimated expenses of the Offer.

4.3 Statement of financial position

Set out in section 12 is the unaudited Statement of Financial Position of the Company and the Pro-Forma Statement of Financial Position, as at 30 September 2022 and on the basis of the following assumptions:

- (a) the Offer was effective on 30 September 2022;
- (b) no further Shares are issued other than all Shares offered under this Prospectus;
- (c) take up of the Offer assuming Underwritten Amount and Full Subscription are received; and
- (d) costs of the Offer are between \$138,402 and \$178,247.

The pro-forma Statement of Financial Position 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 set out in section 12. The pro-forma financial information is unaudited 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.

4.4 Effect of the Offer on the Company's securities

Assuming that no further Shares are issued prior to the Record Date, at the close of the Offer the capital structure of the Company will be:

Shares	Underwritten Amount		Full Subscription	
	Number	%	Number	%
Existing Shares	294,297,164	59.54	294,297,164	50.00
New Shares offered under this Prospectus	200,000,000	40.46	294,297,164	50.00
Total Shares	494,297,164	100.00%	588,594,328	100.00%

Assuming that no further Options are issued prior to the Record Date, at the close of the Offer, the number of Options on issue will be:

Convertible securities	Underwritten Amount		Full Subscription	
	Number	%	Number	%
Existing Options and Performance Rights	89,351,397	100	89,351,397	100
Total Options	89,351,397	100	89,351,397	100

4.5 Effect on control

There will be no effect on control of the Company if all Shareholders take up their Entitlement.

As detailed in section 7.4 of this Prospectus, the Underwriter has agreed to underwrite the issue of up to 200,000,000 New Shares under the Offer.

The Underwriter has advised the Company that neither it, nor any of its associates, currently has a relevant interest in any Shares.

The Underwriter's relevant interests in the Company following the Offer will depend upon the number of New Shares taken up and the number of New Shares subscribed for by sub-underwriters. If no entitlement is taken up under the Offer (an outcome the Board and Underwriter consider unlikely), the Underwriter will be required to subscribe for Shares equating to approximately 40.46% of the issued capital of the Company upon completion of the Offer. The Underwriter has advised the Company that whilst not a condition of the underwriting, it has sufficient sub-underwriting commitments that as a result the Underwriter does not expect to acquire any Shares. However, in the event no Shares are issued to others and the Underwriter acquires a relevant interest in 40.46% of the Company's issued Shares, the Underwriter has informed the Company that:

- (a) presently it does not have any intention to change the nature or operations of the Company following the Offer;
- (b) use its holding to control the Company; or
- (c) to seek Board representation or to otherwise make any changes to the Company's Board.

The Underwriter has agreed that no person will acquire, through sub-underwriting the Offer, a relevant interest in more than 19.9% of the Company's issued Shares.

4.6 Dilution

Shareholders who do not participate in the Offer will have their holdings diluted by up to 50%.

5 RISK FACTORS

This section identifies the major risks the Board has identified regarding an investment in the Company. The Company's business is subject to risk factors, both specific to its business activities, and risks of a general nature. Individually, or in combination, these might affect the future operating performance of the Company and the value of an investment in the Company. There can be no guarantee that the Company will achieve its stated objectives or that any forward looking statements will be achieved. An investment in the Company should be considered in light of relevant risks, both general and specific. Each of the risks set out below could, if it eventuates, have a material adverse impact on the Company's prospects, and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

Before deciding to invest in the Company, potential investors should:

- (a) read the entire Prospectus;
- (b) consider the assumptions underlying any forward looking statements;
- (c) review these factors in light of their personal circumstances; and
- (d) seek professional advice from their accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

5.2 Risk specific to the Offer

- (a) Future funding and ability to continue as a going concern

Funds raised from the Offer will be used for the purposes mentioned under section 4.2 of the prospectus. Whilst the Company believes that the Underwritten Amount will be sufficient to carry out a limited exploration program, additional funding will be required to fully realise the Company's exploration objectives. Raising additional capital may be dilutive to existing Shareholders.

- (b) Dilution

Shareholders who do not take up their Entitlement will have their holding in the Company diluted by 50%. Details of dilution are set out in section 4.6 above.

5.3 Specific Investment Risks

- (a) Exploration Risk

Whilst historically \$16 million of exploration work (including at least 14,695 of RC drilling and 789m of diamond drilling) has been undertaken on the various Woodline projects and the Company has developed an exploration model for these projects, to date no resource has been announced on the Woodline projects. There is a risk that the Company's proposed exploration program at Woodline and other projects will not be successful and no large resource discovered.

- (b) Access risk

There is a substantial level of regulation and restriction on the ability of exploration and mining companies to have access to land in Australia. Negotiations with both

Native Title and land owners/occupiers are generally required before the Company can access land for exploration or mining activities. Inability to access, or delays experienced in accessing, the land may impact on the Company's activities.

(c) Permit Risk

The Company's main exploration projects are located in Australia. While not all exploration activities on the Company's projects require permits, some exploration activities involving drilling cannot be conducted without the requisite government permits.

There is a risk of delay or that applicable laws, regulations or the governing authorities will change or that such changes will result in additional material expenditures or time delays. There is also a risk that the necessary land acquisitions, permits, certificates, consents, authorisations and agreements required to implement future exploration, project development, or mining of the Company's projects may not be obtained under conditions or within time frames that make such plans economic.

(d) Commodity prices

The Company is exploring for gold, and as a result is significantly exposed to fluctuations on gold prices. There is a risk that the gold price may fall, which will have an adverse effect on the Company's Share price and ability to raise further capital.

(e) Future capital needs and additional funding

The Company recorded an audited net loss of \$2.318m for the year ending 30 June 2022. As at 30 June 2022, it had approximately \$1.057m cash and cash equivalents on hand. Its approximate minimum required annual expenditure commitments on its tenements is approximately \$0.512m.

The Company's ability to raise further capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to the Company will vary according to a number of factors, including exploration results and then prevailing market conditions. Alternatively, and if required, the Company may be required to relinquish exploration tenements where it cannot either meet minimum expenditure requirements or obtain exemptions.

If the Company is required, or chooses, to advance the Company's projects beyond the completion of those stated objectives, the Company will require additional funding to progress its projects beyond the work programs identified in this Prospectus. There is no assurance that the Company will be able to access this funding on favourable terms or at all. If adequate funds are not available on acceptable terms the Company may not be able to further develop its projects and it may impact on the Company's ability to continue as a going concern.

5.4 Industry Risk

(a) Additional Requirements for Capital

Since its inception the Company's principal activity has been and remains the exploration for commercially exploitable mineral deposits. The Company does not

as yet generate revenue from its principal activity, and accordingly, it requires continual equity or debt funding to meet existing and future expenditure requirements. There is no guarantee the Company will secure sufficient funding to implement its exploration intentions as outlined in the Prospectus. Should the Company require additional funding there can be no assurance that additional funding will be available on acceptable terms, or at all. An inability to obtain additional funding, if required, would have a material adverse effect on the Company's business, financial condition and performance and the Company's ability to continue as a going concern.

(b) Mining and Exploration Risk

The business of mineral exploration, development and production is subject to risk by its nature. The success of the business depends, inter alia, on successful exploration and/or acquisition of reserves, securing and maintaining title to concessions and tenements, successful design, construction, commissioning and operating of mining and processing facilities, successful development and production in accordance with forecasts and successful management of the operations. Exploration and mining are speculative undertakings which may be hampered by force majeure circumstances, land claims and unforeseen mining problems. Increased costs, lower output or high operating costs may all contribute to make a project less profitable than expected at the time of the development decision. There is no assurance that the Company's attempts to exploit its exploration activities will be successful.

The Company's exploration activities to date are not advanced to a stage where reliable reserve or resource estimates can be made. Reserve and resource estimates, if made in the future, are judgments based on drilling results, past experience with mining properties, knowledge, experience, industry practice and many other factors. Estimates which are valid when made may change substantially when new information becomes available. Ore estimation is an interpretive process based on available data and interpretations and, thus, estimations may prove inaccurate.

The actual quality and characteristics of ore deposits cannot be known until mining takes place, and will almost always differ from the assumptions used to develop reserves. Further, reserves are valued based on future costs and future prices and, consequently, the actual reserves and resources may differ from those estimated, which may result in either a positive or negative effect.

No assurance can be given that commercial tonnages, grades or recovery will be achieved or realised. Commodity price fluctuations, increased production costs, or reduced recovery rates, may render possible reserves containing relatively lower grades uneconomic and may result in a restatement of such reserves. Moreover, short-term operating factors relating to possible reserves, such as sequential development of ore bodies and processing of new or different ore types or grades, may cause mining operations to be unprofitable in any particular accounting period.

There is a risk that unforeseen geological and geotechnical difficulties may be encountered if and when developing and mining reserves. In this event, a loss of revenue may be caused due to the lower than expected production and/or higher

than anticipated operation and maintenance costs and/or on-going unplanned capital expenditure in order to meet production targets.

(c) Title

The Company's mining exploration activities are dependent on the grant, or as the case may be, the maintenance of appropriate licenses, which may be withdrawn or made subject to limitations. The granting of license, maintaining of license or obtaining renewals, often depends on the Company being successful in obtaining required statutory approvals for its proposed activities and that the licenses, concessions, tenements, leases, permits or consents it holds will be renewed as and when required. There is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed in connection therewith.

(d) Results of Studies

Subject to the results of future exploration and testing programs, the Company may progressively undertake a number of studies in respect to the Company's current or new projects. These studies may include scoping, pre-feasibility and bankable feasibility studies.

These studies will be completed within certain parameters designed to determine the economic feasibility of the Company's current or new projects within certain limits. There can be no guarantee that any of the studies will confirm the economic viability of the Company's current or new projects or the results of other studies undertaken by the Company (e.g. the results of a feasibility study may materially differ to the results of a scoping study).

Further, even if a study determines the economics of the Company's current or new projects, there can be no guarantee that the current or new projects will be successfully brought into production as assumed or within the estimated parameters in the feasibility study once production commences including but not limited to operation costs, mineral recoveries and commodity prices. In addition, the ability of the Company to complete a study may be dependent on the Company's ability to raise further funds to complete the study if required.

(e) Metallurgy

Metal or mineral recoveries are dependent upon the metallurgical process, and by its nature processing contains elements of significant risk such as:

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

No assurance can be given that any particular level of recovery from mineral resources or reserves will in fact be realised or that a mineral resource will ever qualify as commercially viable which can be legally and economically exploited.

(f) Economic and Government Risks

Economic and legislative changes in Australia may affect the future viability of the Company. The future viability of the Company is also dependent on a number of other factors affecting the performance of all industries, not just the exploration and mining industries. These factors include, but are not limited to:

- (i) General economic conditions in Australia and its major trading partners.
- (ii) Changes in government policies, taxation and other laws.
- (iii) The strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the commodities (resources) sector.
- (iv) Movement in, or outlook on, interest rates and inflation rates.
- (v) Natural disasters, social upheaval or war in Australia and other countries.

Industry profitability can be affected by changes in government within Australia and other jurisdictions, which are outside the control of the Company. The Company's activities are subject to extensive laws and regulations controlling not only the exploration for and mining of minerals, but also the possible effects of such activities upon the environment and interests of native and/or indigenous peoples. Permits from regulatory authorities are required for many aspects of mine operation and reclamation. There is no assurance that permits will be obtained when sought or that unfavourable conditions will not be imposed. Future legislation and regulations could cause additional expense, capital expenditures, restrictions and delays in development of the Company's tenements, the extent of which cannot be predicted.

(g) 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 involvement with the Company.

(h) Competition

The industry in which the Company is involved is subject to domestic and global competition. While the Company undertakes all reasonable due diligence in its business decisions and operations, the Company has no influence or control over the activities of competitors and these activities may positively or negatively affect the operating and financial performance of the Company's projects and business.

(i) Insurance

Insurance of all risks associated with exploration is not always available and, where it is available, the cost may be high. The Company will have insurance in place considered appropriate for the Company's needs.

The business of the Company is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as extreme

For personal use only

weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties, buildings, personal injury or death, environmental damage to properties of the Company or others, delays in mining, monetary losses and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability, particularly if the Company seeks to acquire new projects which are located in other jurisdictions or involve a new commodity.

It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

5.5 General Investment Risks

(a) Share Market Investments

It is important to recognise that the price of Shares may rise or fall, and they might trade at prices below or above the Offer Price. There can also be no assurance that an active trading market will develop for the Shares.

Factors affecting the price at which the Shares are traded on ASX could include domestic and international economic conditions. In addition, the prices of many listed entities' securities are affected by factors that might be unrelated to the operating performance of the relevant company. Those fluctuations might adversely affect the price of the Shares.

(b) General Economic Conditions

The Company's operating and financial performance is influenced by a variety of general economic and business conditions including the level of inflation, interest rates and government fiscal, monetary and regulatory policies. Prolonged deterioration in general economic conditions, including an increase in interest rates, could be expected to have a corresponding adverse impact on the Company's operating and financial performance.

(c) Accounting Standards

Australian accounting standards are set by the Australian Accounting Standards Board (AASB) and are outside the Directors' and the Company's control. Changes to accounting standards issued by AASB could materially adversely affect the financial performance and position reported in the Company's financial statements.

(d) Taxation Risks

Changes to the rate of taxes imposed on the Company or tax legislation generally may affect the Company and its Shareholders. In addition, an interpretation of

Australian taxation laws by the Australian Taxation Office that differs to the Company's interpretation may lead to an increase in the Company's taxation liabilities and a reduction in Shareholder returns.

Personal tax liabilities are the responsibility of each individual investor. The Company is not responsible either for taxation or penalties incurred by investors.

6 ACTIONS REQUIRED BY ELIGIBLE SHAREHOLDERS

6.1 What you may do

Applicants should read this Prospectus in its entirety to make an informed decision on the prospects of the Company and the rights attaching to the New Shares offered by this Prospectus before deciding to apply for New Shares. If you do not understand this Prospectus you should consult your stockbroker, accountant or other professional adviser in order to satisfy yourself as to the contents of this Prospectus.

As an Eligible Shareholder, you may:

- (a) subscribe for all or part of your Entitlement (see section 6.2);
- (b) subscribe for all of your Entitlement and apply for Shortfall Shares (see section 6.3);
or
- (c) allow all or part of your Entitlement to lapse (see section 6.4).

6.2 Subscribe for all or part of your Entitlement

If you wish to subscribe for all or part of your Entitlement, follow the instructions on the accompanying Entitlement and Acceptance Form and pay the subscription amount by either BPAY or EFT. The Entitlement and Acceptance Form sets out the number of New Shares you are entitled to subscribe for.

6.3 Subscribe for all of your Entitlement and apply for Shortfall Shares

Eligible Shareholders who take up their Entitlement in full may, in addition to their Entitlement, apply for Shortfall Shares regardless of the size of their present holding by completing the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form. See section 7.6 for details of the manner in which Shortfall Shares will be allocated.

Any refund of application monies will be returned to Applicants as soon as practicable following the issue of all Shortfall Shares.

6.4 Allow all or part of your Entitlement to lapse

If you are an Eligible Shareholder and do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

If you take no action, your Entitlement will lapse. You will receive no benefit or New Shares and your Entitlement will become Shortfall Shares.

The number of Existing Shares you hold as at the Record Date and the rights attached to those Existing Shares will not be affected if you choose not to accept any of your Entitlement.

6.5 Payment methods

BPAY or electronic funds transfer

You may pay by BPAY or electronic funds transfer (EFT). Refer to your personalised instructions on your Entitlement and Acceptance Form for instructions on how to make payment. Shareholders do not need to complete and return the Entitlement and Acceptance Form; however must ensure that payment is received by no later than 5.00pm AEDT on the Closing Date.

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 or EFT are received by 5.00pm AEDT on the Closing Date.

If you have more than one shareholding 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 Customer Reference Number or unique reference number specific to that shareholding as set out in the applicable Entitlement and Acceptance Form. Do not use the same Customer Reference Number or unique reference number for more than one of your shareholdings. This can result in your application monies being applied to your Entitlement in respect of only one of your shareholdings (with the result that any application in respect of your remaining shareholdings will not be recognised as valid).

The Company shall not be responsible for any postal or delivery delays or delay in the receipt of the BPAY or EFT payment.

6.6 Entitlement and Acceptance Form is binding

By making a payment in respect of an Application by BPAY or EFT constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Prospectus and, once lodged, cannot be withdrawn (other than in circumstances prescribed by the Corporations Act).

By making a payment in respect of an Application by BPAY or EFT, you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus and that you:

- (a) agree to be bound by the terms of the Offer;
- (b) declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (c) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- (d) authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Company's share registry upon using the contact details set out in the Entitlement and Acceptance Form;

- For personal use only
- (e) declare that you are the current registered holder of Shares and are an Australian or New Zealand resident, and you are not in the United States or a US Person, or acting for the account or benefit of a US Person;
 - (f) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs; and
 - (g) acknowledge that the New Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia and New Zealand and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws, including (but not limited to) the US Securities Act.

The Entitlement and Acceptance Form does not need to be signed to be a valid application. An Application will be deemed to have been accepted by the Company upon the issue of the New Shares.

If a payment of the application monies is for the wrong amount, it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid is final. However, an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the application monies received by the Company.

7 DETAILS OF THE OFFER

7.1 Shares offered for subscription

By this Prospectus the Company makes a non-renounceable pro rata offer to Eligible Shareholders on the basis of 1 New Share for every 1 existing Share held as at the Record Date at a price of \$0.005 per New Share, to raise up to approximately \$1.47 million before issue costs. Fractional entitlements will be rounded down to the nearest whole number.

The Offer is only open to Eligible Shareholders. The Company reserves the right to reject any application that it believes comes from a person who is not an Eligible Shareholder, or to withdraw the Offer at any time (in which case application monies will be returned without interest).

Details of how to apply for New Shares are set out at section 6.

All New Shares offered under this Prospectus will rank equally with Existing Shares. The rights and liabilities of the New Shares offered under this Prospectus are summarised in section 8.

7.2 Minimum subscription

The minimum subscription under the Offer is \$1,000,000, being the partially underwritten amount of the Offer.

No Shares will be issued until the Minimum Subscription has been received. If the Minimum Subscription is not achieved within 4 months after the date of issue of this Prospectus, the Company will either repay the application monies to the Applicants or issue a supplementary

prospectus or replacement prospectus and allow Applicants one month to withdraw their application and be repaid their application monies.

7.3 Acceptances

This Offer may be accepted in whole or in part prior to the Closing Date subject to the rights of the Company to extend the Offer period (subject to the Corporations Act and Listing Rules).

Instructions for accepting your Entitlement are set out in section 6 and on the Entitlement and Acceptance Form which accompanies this Prospectus.

7.4 Underwriting

The Underwriter has agreed to underwrite the issue of 200,000,000 Shortfall Shares (**Underwritten Securities**) in accordance with an underwriting agreement dated 21 October 2022 (**Underwriting Agreement**). The Directors have reserved the right to determine the allocation of Shortfall Shares, including any applications by Eligible Shareholders for Shortfall Shares under the Offer.

The Underwriter will be paid the following fees:

- (a) Lead Manager fee \$30,000 if the total amount raised is less than \$1.2 million and \$40,000 if the total amount raised is more than \$1.2 million. The Lead Manager will, subject to the Listing Rules, have the right to subscribe for this fee in Shares under the Offer.
- (b) Management Fee 1% of the total amount raised. The Lead Manager (or nominees) will, subject to the Listing Rules, have the right to subscribe for this fee in Shares under the Offer.
- (c) Underwriting Fee 5% of the underwritten amount. All sub-underwriting fees will be paid by the Lead Manager.
- (d) Placement Fee 5% of any shortfall placed beyond the underwritten amount to persons introduced by the Lead Manager, including any additional amount that might be placed under the Company's 7.1 and 7.1A placement capacity (if applicable). All selling fees will be paid by the Lead Manager.

The Company will also be required to reimburse the Underwriter for all of the reasonable costs incurred by the Underwriter in relation to the Offer.

The underwriting of the Offer is conditional upon the satisfaction or waiver by the Underwriter of the certain conditions ordinarily found in an agreement of this type, including that:

- (e) the Underwriter being satisfied with the due diligence investigations by the Company in relation to the Offer; and
- (f) the Company's solicitors providing the Underwriter with a legal sign off letter in relation to the due diligence investigations.

In accordance with the Underwriting Agreement and as is customary with these types of arrangements:

- (g) the Company has (subject to certain limitations, including where the loss arises through the Underwriter performing its underwriting obligation) agreed to indemnify the Underwriter, its officers, employees, advisers and related bodies corporate, and the officers, employees and advisers of any of its related bodies corporate against losses suffered or incurred in connection with the Offer;
- (h) the Company and the Underwriter have given representations, warranties and undertakings in connection with (among other things) the conduct of the Offer;
- (i) the Underwriter may (in certain circumstances, including having regard to the materiality of the relevant event) terminate the Underwriting Agreement and be released from their obligations under it on the occurrence of certain events, including (but not limited to) where:
 - (i) (Indices fall): the All Ordinaries index as published by ASX is at any time after the date of the Underwriting Agreement 7% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement;
 - (ii) (Commodities): the price of COMEX gold or NYMEX WTI crude is at any time after the date of the Underwriting Agreement 7% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement;
 - (iii) (Price): the Price is greater than the volume weighted average price of Shares calculated over three consecutive trading days after the date of the Underwriting Agreement;
 - (iv) (Misleading Announcement): it transpires that the Company has made a statement via the ASX that is misleading or deceptive or likely to mislead or deceive.
 - (v) (Adverse change): an event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a likely Material Adverse Effect after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time. Material Adverse Event means:
 - (A) a material adverse effect on the outcome of the Offer or on the subsequent market for the Underwritten Securities (including, without limitation, matters likely to have a material adverse effect on a decision of an investor to invest in Underwritten Securities); or
 - (B) a material adverse effect on the assets, condition, trading or financial position and performance, profits and losses, results, prospects, business or operations of the Company and its Subsidiaries either individually or taken as a whole;
 - (vi) (Board and senior management composition): there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the Underwritten Securities without the

prior written consent of the Underwriter, such consent not to be unreasonably withheld;

- (vii) (Change in shareholdings): there is a material change in the major or controlling shareholdings of a Relevant Company (other than as a result of the Offer or a matter disclosed in the Prospectus) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
- (viii) (Market Conditions): a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

See section 9.2 for details of Directors' sub-underwriting and Mr Smith's interest in the Lead Manager.

7.5 Entitlement to Offer

The Offer is made to Eligible Shareholders, who are those Shareholders that:

- (a) are the registered holder of Shares as at 7.00pm (AEDT) on the Record Date; and
- (b) have a registered address in Australia or New Zealand.

7.6 Shortfall

Any New Shares not applied for under the Offer will become Shortfall Shares. The Directors, reserve the right to issue any Shortfall Shares at their discretion within 3 months after the Closing Date (**Shortfall Offer**).

The Shortfall Offer is, to the extent it is made in Australia, made under this Prospectus. To the extent the Shortfall Offer is made outside Australia, the Shortfall Offer is made without disclosure, a prospectus, lodgement, filing or registration, or other requirements of any applicable securities law, and only in circumstances where it is lawful to do so (such as to institutional or sophisticated investors).

Eligible Shareholders may apply for Shortfall Shares by completing the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form. Other investors who are not Eligible Shareholders may apply for Shortfall Shares using the Shortfall Application Form attached to this Prospectus. Persons outside Australia doing so represent to the Company that they can apply for Shortfall Shares in circumstances which do not require the offer for Shortfall Shares or this Prospectus to be registered.

It is possible that there may be no Shortfall Shares available for issue.

Subject to the above, the Directors reserve the right at their absolute discretion and subject to the Corporations Act and Listing Rules, to:

- (a) issue Shortfall Shares at their discretion by applying a policy of allocating Shortfall Shares in a manner that is in the Company's best interests and in accordance with the Underwriting Agreement; and
- (b) to reject any application for Shortfall Shares or to issue a lesser number of Shortfall Shares than that applied for.

It is an express term of the Shortfall Offer that applicants for Shortfall Shares will be bound to accept a lesser number of Shortfall Shares allocated to them than applied for. If a lesser number is allocated, excess application money will be refunded without interest as soon as practicable after the Closing Date.

7.7 New Zealand Shareholders

The Offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand). Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Shares. This Prospectus has not been registered, filed or approved by any New Zealand regulatory authority. This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

7.8 Treatment of Ineligible Shareholders and sale for Ineligible Shareholders' Entitlement

Given the small number of Ineligible Shareholders and the cost of complying with applicable regulations outside Australia and New Zealand, the Company has decided that it would be unreasonable to extend the Offer to Ineligible Shareholders. The Prospectus will not be sent to those Shareholders.

This Prospectus does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Offer. No action has been taken to register or qualify the New Shares or the Offer or otherwise to permit an offering of the New Shares in any jurisdiction other than as set out in this section.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States or elsewhere where it would be unlawful to do so.

Recipients may not send or otherwise distribute this Prospectus or the Entitlement and Acceptance Form to any person outside Australia or New Zealand (other than to Eligible Shareholders).

7.9 Beneficial holders, nominees, trustees and custodians

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

7.10 Allotment and application money

New Shares will be issued only after all application money has been received and ASX has granted permission for the New Shares to be quoted. It is expected that New Shares will be issued on 18 November 2022 and normal trading of the New Shares on ASX is expected to commence on 21 November 2022.

All application monies will be deposited into a separate bank account of the Company and held in trust for Applicants until the Shares are issued or application monies returned. Any interest that accrues will be retained by the Company and will not be paid to Applicants.

7.11 Quotation

The Company has applied to ASX for quotation of the securities offered by this Prospectus on ASX. If ASX does not grant permission for the quotation within 3 months after the date of this Prospectus, or such longer period as modified by ASIC, none of the securities offered by this Prospectus will be allotted or issued. In these circumstances, all Applications will be dealt with in accordance with the Corporations Act including the return of all application monies without interest.

A decision by ASX to grant official quotation of the securities offered under this Prospectus is not to be taken in any way as an indication of ASX's view as to the merits of the Company or of the New Shares.

Quotation, if granted, of the securities offered by this Prospectus will commence as soon as practicable after statements of holdings of the securities are dispatched.

7.12 Market prices of Existing Shares on ASX

The highest and lowest market sale price of the Existing Shares, which are on the same terms and conditions as the New Shares being offered under this Prospectus, during the 3 months immediately preceding the lodgement of this Prospectus with the ASIC, and the last market sale price prior to the Offer being announced, are set out below.

	3 month high	3 month low	Last market sale price
Price (\$)	\$0.021	\$0.009	\$0.012
Date	13 September 2022	18 October 2022	20 October 2022

7.13 CHESS

The Company participates in the Clearing House Electronic Subregister System (**CHESS**). CHESS is operated by ASX Settlement Pty Ltd (**ASPL**), a wholly owned subsidiary of ASX.

Under CHESS, the Company does not issue certificates to investors. Instead, security holders will receive a statement of their holdings in the Company, including New Shares issued under this Prospectus. If an investor is broker sponsored, ASPL will send a CHESS statement.

The CHESS statement will set out the number of New Shares issued under this Prospectus, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub register, your statement will be dispatched by the Company's share registrar and will contain the number of New Shares issued to you under this Prospectus and your security holder reference number.

A CHES statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

7.14 Taxation and duty implications

The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of the Company conducting the Offer or Shareholders applying for New Shares under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of Shareholders. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Shareholders in the Offer. Shareholders should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Offer.

No brokerage or stamp duty is payable by Applicants in respect of Applications for New Shares under this Prospectus.

7.15 Privacy

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

By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Entitlement and Acceptance Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related body corporates, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

The Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Shares held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Application. An Applicant has the right to gain access to the information that the Company holds about that person subject to certain exceptions under law. A fee may be charged for access. Such requests must be made in writing to the Company's registered office.

7.16 Enquiries

Any queries regarding the Offer or Entitlement and Acceptance Form should be directed to the Company Secretary on +61 8 9481 0389.

You can also contact your stockbroker or professional adviser with any queries in relation to the Offer.

8 RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

8.1 Rights and liability attaching to Shares

Full details of the rights and liabilities attaching to the Shares are:

- detailed in the Constitution, a copy of which can be inspected, free of charge, at the registered office of the Company during normal business hours; and
- in certain circumstances, regulated by the Corporations Act, the Listing Rules and the general law.

The following is a summary of the more significant rights and liabilities attaching to the Shares. 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.

(a) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of members every member has one vote on a show of hands and one vote per Share on a poll. Voting may be in person or by proxy, attorney or representative.

(b) Dividends

Except as otherwise required by the Corporations Act and to the terms on which shares are on issue and the rights and restrictions attaching to shares, the Directors may from time to time:

- declare dividends (whether final or interim) to be paid to members on such terms, including the amount and the time for and the method of payment, as the Directors think fit; or
- determine that a dividend is payable, fix the amount and time for payment.

(c) Future issues of securities

Subject to the Corporations Act and the Listing Rules, the Directors may issue, grant options over, or otherwise dispose of unissued shares in the Company at the times and on the terms that the Directors think proper and a share may be issued with preferential or special rights.

(d) Transfer of Shares

A shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by ASX for the purpose

of facilitating transfers in Shares or by an instrument in writing in a form approved by ASX or the Board.

(e) Meetings and notices

Each shareholder is entitled to receive notice of, and to attend, general meetings for the Company and to receive all notices, accounts and other documents required to be sent to shareholders under the Constitution, the Corporations Act or the Listing Rules.

Shareholders may requisition meetings in accordance with the Corporations Act.

(f) Liquidation rights

The Company has one class of shares on issue, ordinary shares. Each ordinary Share ranks equally in the event of liquidation.

(g) Variation of rights

Subject to the Corporations Act and Listing Rules, the rights attached to the Shares may be varied in accordance with the Corporations Act

(h) Election of directors

At every annual general meeting one third of the Directors (rounded up to the nearest whole number) must retire from office. Any Director who would have held office for more than 3 years if that Director remains in office until the next general meeting must retire. These retirement rules do not apply to certain appointments including the managing director.

(i) Indemnities

To the extent permitted by law the Company must indemnify each past and present Director and secretary against any liability incurred by that person as an officer of the Company and any legal costs incurred in defending an action in respect of such liability.

(j) Winding up

Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of shares, on a winding up of the Company any surplus must be divided among the shareholders of the Company.

(k) Shareholder liability

As the Shares offered under the Prospectus are fully paid Shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(l) Alteration to the Constitution

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. At least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

(m) Listing Rules

If the Company is admitted to trading on the Official List, then despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision. If the Listing Rules require the Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision. If a provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

9 ADDITIONAL INFORMATION

9.1 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 Company's securities. The New Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the Official List during the 12 months prior to the issue of this Prospectus.

This Prospectus is a "transaction specific prospectus" to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms "transaction specific prospectuses" are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. 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.

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 period from lodgement of the Company's annual financial statements of the Company for the financial year ended 30 June 2022 to 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.

The Company confirms that, to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in this Prospectus, there is no information

- (a) that has been excluded from a continuous disclosure notice in accordance with ASX Listing Rules; and
- (b) is information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (ii) the rights and liabilities attaching to New Shares.

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 statements of the Company for the financial year ended 30 June 2022 being the last financial statements for a financial year, of the Company lodged with the ASIC before the issue of this Prospectus;
 - (ii) any half-year financial report lodged with ASIC by the Company after the lodgement of that annual report and before the lodgement of this Prospectus; and
 - (iii) any continuous disclosure notices given by the Company after the lodgement of the financial statements referred to in paragraph (i) and before the lodgement of this Prospectus with ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be obtained free of charge from the Company's registered office during normal office hours or from asx.com.au.

The Company has lodged the following announcements with ASX since its 2022 annual report was lodged with ASX on 29 September 2022:

Date	Announcement
17 Oct 2022	Drilling Results from the Woodline and Tempest Projects
14 Oct 2022	Letter to Shareholders - Notice of Annual General Meeting
14 Oct 2022	Notice of Annual General Meeting/Proxy Form

3 Oct 2022	Date of AGM & Closing Date for Director Nominations
29 Sep 2022	Appendix 4G
29 Sep 2022	Corporate Governance Statement

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

9.2 Directors' interests

As at the date of this Prospectus the Directors have a relevant interest in securities of the Company and remuneration over the last 2 years as set out below.

	Jonathan Shellabear	Stephen Brockhurst	Daniel Smith
Annual Remuneration: 2022	\$15,360	\$52,560	\$-
Annual Remuneration: 2021	\$-	\$129,060	\$-
Shares	-	3,113,098	-
Converting Securities	-	2,398,653	265,000
Entitlement	-	3,113,098	-

Notes:

- 1 The Chairman and non-executive Directors are entitled to annual directors' fees of \$78,840 and \$52,560 (inclusive of superannuation) respectively.
- 2 Mining Corporate, an entity controlled by Mr Brockhurst, provides company secretarial, accounting and bookkeeping services to the Company. During the period 1 January 2022 to 30 September 2022 the Company paid Mining Corporate \$80,580 (excluding GST).

9.3 Sub-Underwriting Agreements

The Underwriter has entered into sub-underwriting agreements with Bridge The Gap Trading Pty Ltd (an entity of which director Mr Daniel Smith is a director and indirect shareholder) and Shriver Nominees Pty Ltd (an entity of which director Mr Stephen Brockhurst is a director and shareholder), on the following material terms:

- (a) Bridge The Gap Trading Pty Ltd and Shriver Nominees Pty Ltd have agreed to sub-underwrite the Offer for \$100,000 (20,000,000 Shares) each (Sub-Underwriting Commitment); and

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

The Sub-Underwriting agreements are otherwise made on terms and conditions considered standard for an agreement of this nature. No sub-underwriting fees are payable to Bridge The Gap Trading Pty Ltd or Shriver Nominees Pty Ltd.

Daniel Smith has a beneficial interest in 13% of the issued shares of the Lead Manager, and has excused himself from board deliberations on the Offer, the Lead Manager's appointment and the Underwriting Agreement.

Mr Shellabear has determined that the financial benefit received by Mr Smith through the Lead Manager and the Sub-Underwriting Commitment, and by Mr Brockhurst under the Sub-Underwriting Commitment, are on arm's length terms so that Shareholder approval is not required under Chapter 2E of the Corporations Act.

The Constitution provides that the Directors may be paid for their services as Directors. Non-executive directors may only be paid a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting (currently \$250,000), to be divided among the non-executive directors and in default of agreement then in equal shares.

The Company also pays premiums to insure all of the Directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct whilst acting in the capacity as a Director of the Company.

Other than as set out above or elsewhere in this Prospectus, no Director or proposed Director holds at the date of this Prospectus, or held at any time during the last 2 years before the date of lodgement of this Prospectus with ASIC, any interest in:

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

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

- (e) to a Director or proposed Director or to any firm which any such Director is a partner, to induce him or her to become, or to qualify as, a Director; or
- (f) for services provided by a Director or proposed Director or to any firm which any such Director is a partner, in connection with the formation or promotion of the Company or the Offer.

9.4 Interests of promoters and named persons

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

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

- (c) the Offer.

Mahe Capital Pty Limited has acted as lead manager and underwriter to the Offer. The fees to be paid for this service are set out in section 7.4. Mahe Capital Pty Limited has received \$408,260 (excluding GST) in fees for services to the Company in the 2 years prior to the date of this Prospectus.

Atkinson Corporate Lawyers has acted as solicitor to the Offer. In respect of this work, the Company will pay approximately \$10,000 exclusive of GST. Subsequently fees will be paid in accordance with normal hourly rates. Atkinson Corporate Lawyers has received \$16,000 (excluding GST) in fees for services to the Company in the 2 years prior to the date of this Prospectus.

9.5 Consents

Each of the persons referred to in this section:

- (a) has given and has not, before the date of lodgement of this Prospectus with ASIC withdrawn their written consent:
- (i) to be named in the Prospectus in the form and context which it is named; and
 - (ii) where applicable, to the inclusion in this Prospectus of the statement(s) and/or reports (if any) by that person in the form and context in which it appears in this Prospectus;
- (b) has not caused or authorised the issue of this Prospectus;
- (c) has not made any statement in this Prospectus or any statement on which a statement in this Prospectus is based, other than specified below;
- (d) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Prospectus, other than the references to their name and the statement(s) and/or report(s) (if any) specified below and included in this Prospectus with the consent of that person.

Name	Role
Mahe Capital Pty Limited	Lead Manager and Underwriter
Atkinson Corporate Lawyers	Lawyer

9.6 Expenses of the Offer

The total (cash) expenses of the Offer (assuming the full amount is raised and no further Shares are issued or Options exercised) are estimated to be up to \$178,247, consisting of the following:

Cost ¹ (\$)	Underwritten Amount	Full Amount
Legal fees	10,000	10,000

ASX and ASIC fees	8,402	9,958
Capital raising fees ²	90,000	128,289
Printing, postage and other expenses	30,000	30,000
Total	138,402	178,247

1 These expenses have or will be paid by the Company.

2 This assumes full subscription, that the Underwriter places the Underwritten Amount and the Offer is oversubscribed.

9.7 Litigation

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

9.8 Exploration results

For the purposes of Listing Rule 5.23, the Company confirms that it is not aware of any new information or data that materially affects the exploration results included in this prospectus.

For personal use only

10 DIRECTORS' RESPONSIBILITY AND CONSENT

Each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

Dated: 21 October 2022



.....

Signed for and on behalf of Nelson Resources Limited

By Stephen Brockhurst
Director

For personal use only

11 GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

\$, A\$ or Dollars	Australian dollars unless otherwise stated.
AEDT	Australian Eastern Daylight Time
Applicant	a person who submits a valid Entitlement and Acceptance Form pursuant to this Prospectus.
Application	a valid application made on an Entitlement and Acceptance Form to subscribe for New Shares pursuant to this Prospectus.
ASIC	the Australian Securities & Investments Commission.
ASX	ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.
Board	the board of Directors.
Business Day	Monday to Friday inclusive, except any day that ASX declares is not a business day.
Closing Date	the date set out in section 1.
Company or Nelson	Nelson Resources Limited (ACN 127 620 482).
Constitution	the constitution of the Company.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Director	a director of the Company.
Eligible Shareholders	a Shareholder as at the Record Date with a registered address in Australia or New Zealand.
Entitlement or Right	a Shareholder's entitlement to subscribe for New Shares offered by this Prospectus.
Entitlement and Acceptance Form	the personalised entitlement and acceptance form attached to this Prospectus.
Ex Date	the date set out in section 1.
Existing Share	a Share issued as at 7.00pm (AEDT) on the Record Date.
Full Subscription	approximately \$1,471,486 before costs.

For personal use only

Ineligible Shareholder	a Shareholder who is not an Eligible Shareholder.
Listing Rules	the listing rules of the ASX.
New Shares	Shares issued pursuant to this Prospectus.
Offer	an offer made under this Prospectus to subscribe for New Shares.
Official List	the official list of the ASX.
Opening Date	the date set out in section 1.
Option	an option to be issued a Share.
Prospectus	this Prospectus and includes the electronic prospectus.
Record Date	the date set out in section 1.
Share	a fully paid ordinary share in the Company.
Share Registry	Automic Pty Limited.
Shareholder	the registered holder of Shares in the Company.
Shortfall Offer	has the meaning given in section 7.6.
Shortfall Shares	New Shares for which valid Applications have not been received for Entitlement by the Closing Date.
Underwriter	means Mahe Capital Pty Limited (AFSL 517246).
Underwriting Agreement	has the meaning given in section 7.4.
Underwritten Amount	means \$1,000,000.
Underwritten Securities	has the meaning given in section 7.4.
US person	has the meaning given to that term in Regulation S under the US Securities Act.
US Securities Act	the <i>United States Securities Act of 1933</i> , as amended.

12 PRO FORMA STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION	Unaudited 30-Sep-22	Entitlements Issue (underwritten amount)	Notes	Pro-forma	Entitlements Issue (full subscription)	Notes	Pro-forma
Current Assets							
Cash & Cash Equivalents	\$ 172,297	\$ 861,598	[1] [2] [3]	\$ 1,033,895	\$ 1,293,239	[4] [5] [6]	\$ 1,465,535
Trade & Other Receivables	\$ 70,532			\$ 70,532			\$ 70,532
Other Current Assets	\$ 310,229			\$ 310,229			\$ 310,229
Total Current Assets	\$ 553,058	\$ 861,598		\$ 1,414,656	\$ 1,293,239		\$ 1,846,296
Non-Current Assets							
Plant & Equipment	\$ 675,942			\$ 675,942			\$ 675,942
Right of Use Asset	\$ 196,871			\$ 196,871			\$ 196,871
Exploration & Development Expenditure	\$ 5,997,687			\$ 5,997,687			\$ 5,997,687
Total Non-Current Assets	\$ 6,870,499	\$ -		\$ 6,870,499	\$ -		\$ 6,870,499
Total Assets	\$ 7,423,557	\$ 861,598		\$ 8,285,155	\$ 1,293,239		\$ 8,716,796
Current Liabilities							
Trade & Other Payables	\$ 206,773			\$ 206,773			\$ 206,773
Lease Liability	\$ 14,678			\$ 14,678			\$ 14,678
Provisions	\$ 6,981			\$ 6,981			\$ 6,981
Total Current Liabilities	\$ 228,431	\$ -		\$ 228,431	\$ -		\$ 228,431
Non-Current Liabilities							
Lease Liability	\$ 222,754			\$ 222,754			\$ 222,754
Total Non-Current Liabilities	\$ 222,754	\$ -		\$ 222,754	\$ -		\$ 222,754
Total Liabilities	\$ 451,185	\$ -		\$ 451,185	\$ -		\$ 451,185
Net Assets	\$ 6,972,372	\$ 861,598		\$ 7,833,970	\$ 1,293,239		\$ 8,265,610
Equity							
Issued Capital	\$ 45,044,487	\$ 861,598	[1] [2] [3]	\$ 45,906,085	\$ 1,293,239	[4] [5] [6]	\$ 46,337,726
Reserves	\$ 577,844	\$ -		\$ 577,844	\$ -		\$ 577,844
Accumulated Losses	-\$ 38,649,960	\$ -		-\$ 38,649,960	\$ -		-\$ 38,649,960
Total Equity	\$ 6,972,372	\$ 861,598		\$ 7,833,970	\$ 1,293,239		\$ 8,265,610
[1]: 200,000,000 New Shares @ \$0.005 each		\$ 1,000,000		[4]: 294,297,164 New Shares @ \$0.005 each			\$ 1,471,486
[2]: Costs of Offer exclusive of GST (ASIC fees = \$3,206; ASX fees = \$5,196 for shares; Legal fees = \$10,000; Distribution & Other = \$30,000)		\$ 48,402		[5]: Costs of Offer exclusive of GST (ASIC fees = \$3,206; ASX fees = \$6,752 for shares; Legal fees = \$10,000; Distribution & Other = \$30,000)			\$ 49,958
[3]: Costs of Offer exclusive of GST (Lead Manager fee = \$30,000; Management fee @ 1% = \$10,000; Underwriting fee @ 5% = \$50,000)		\$ 90,000		[6]: Costs of Offer exclusive of GST (Lead Manager fees = \$40,000; Management fee @ 1% = \$14,714.86; Underwriting fee @ 5% = \$50,000; Placement fee for any shortfall @ 5% = \$23,574.29)			\$ 128,289