

# Eastern Iron Limited

## ACN 126 678 037

### Entitlement Issue Prospectus

For a non-renounceable entitlement issue of one (1) Share for every four (4) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.008 per Share, together with one (1) free attaching New Option for every two (2) Shares issued, to raise up to approximately \$1,072,370 (based on the number of Shares on issue as at the date of this Prospectus) (**Entitlement Offer**).

The Entitlement Offer is fully underwritten by CPS Capital Group Pty Ltd (ACN: 088 055 636) (AFSL: 294848). Refer to Section 6.4 for details regarding the terms of the Underwriting Agreement.

#### Additional Offers

- For an offer of 68,750,000 New Options to participants in the Placement on the basis of one (1) New Option for every two (2) Shares issued in the Placement (**Placement Options Offer**).
- For an offer of 21,000,000 Director Options to Directors (or their respective nominee/s) and 2,000,000 Employee Options to employees and consultants (or their respective nominee/s) (**Director and Employee Options Offer**).
- For an offer of 20,000,000 New Options to the Underwriter (or its nominee/s) (**Underwriter Options Offer**).

#### Important

This Prospectus is a transaction specific prospectus issued in accordance with section 713 of the Corporations Act. This is an important document that should be read in its entirety. Please read the instructions in this Prospectus and the relevant Application Form regarding applying under the applicable Offer. Investors who do not understand this document should consult their stockbroker, lawyer, accountant or other professional adviser before deciding to apply for Securities under an Offer. The Securities offered under this Prospectus should be considered highly speculative.

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## Important information

### General

This Prospectus is issued by Eastern Iron Limited ACN 126 678 037 (**Company**).

The Prospectus is dated 23 April 2021 and a copy of this Prospectus was lodged with ASIC on that date. Neither ASIC nor ASX take responsibility for the contents of this Prospectus or the merits of the investment to which the Prospectus relates.

This Prospectus is a transaction specific prospectus for offers of continuously quoted securities (as defined in the Corporations Act) or options to acquire continuously quoted securities and has been prepared in accordance with section 713 of the Corporations Act.

No securities will be issued pursuant to this Prospectus later than 13 months after the date of this Prospectus.

Persons wishing to apply for Securities pursuant to an Offer must do so using the appropriate Application Form attached to or accompanying this Prospectus. Before applying for Securities, investors should carefully read this Prospectus in its entirety so that they can make an informed assessment of the rights and liabilities attaching to the Securities, the assets and liabilities of the Company, its financial position and performance, profits and losses, and prospects as well as the risk factors at Section 5 that could affect the financial performance and assets of the Company.

Any investment in the Company should be considered highly speculative. Investors who do not understand this document should consult their stockbroker, lawyer, accountant or other professional adviser before deciding to apply for Securities under an Offer.

No person is authorised to give any information or to make any representation in relation to the Offer which is not contained in this Prospectus. Any such information or representations may not be relied upon as having been authorised by the Directors.

### Prospectus availability

ASIC has confirmed that the Corporations Act allows distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

A copy of this Prospectus can be downloaded from the Company's website at <https://easterniron.com.au/>. There is no facility for online applications. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access this Prospectus from within Australia.

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. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company on +61 2 9906 7551.

### Publicly available information

Information about the Company is publicly available and can be obtained from ASIC and ASX (including ASX's website at [www.asx.com.au](http://www.asx.com.au)). The contents of any website or ASIC or ASX filing by the Company are not incorporated into this Prospectus and do not constitute part of the Offers. 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. 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 in Securities or the Company.

### Financial amounts

All references in this Prospectus to "\$", "A\$", "AUD", "dollars" or "cents" are references to Australian currency unless otherwise stated. Any discrepancies between the totals and sums of components in tables contained in this Prospectus are due to rounding.

### Definitions and time

A number of terms and abbreviations used in this Prospectus have defined meanings which are set out in Section 8. All references to time relate to the time in Perth, Western Australia unless otherwise stated or implied.

### Governing law

This Prospectus and the contracts that arise from the acceptance of the applications under this Prospectus are governed by the law applicable in New South Wales and each applicant submits to the exclusive jurisdiction of the courts of New South Wales.

## Corporate Directory

### Directors

Ariel Edward King  
*Non-Executive Chairman*

Myles Fang  
*Non-Executive Director*

Therese-Marie Taylor  
*Non-Executive Director*

Nathan Taylor  
*Alternate Director for Therese-Marie Taylor*

### Company Secretary

Ian White

### ASX Code

EFE

### Share Registry\*

BoardRoom Pty Ltd  
GPO Box 3993  
SYDNEY NSW 2000

### Auditor

BDJ Partners  
Level 8, 124 Walker Street North  
Sydney NSW 2060

### Registered Office

Level 1, 80 Chandos Street  
St Leonards NSW 2065

Telephone: +61 2 9906 7551  
Website: <https://www.easterniron.com.au/>

### Underwriter

CPS Capital Group Pty Ltd (AFSL: 294848)  
Level 45  
108 St Georges Terrace  
PERTH WA 6000

### Solicitors

Edwards Mac Scovell  
Level 1, 8 St Georges Terrace  
Perth WA 6000

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

## 1. Timetable

Event	Date
Lodgement of Prospectus with the ASIC and ASX	Friday, 23 April 2021
Lodgement of Appendix 3B with ASX	Friday, 23 April 2021
Ex date	Wednesday, 28 April 2021
Record Date for determining Entitlements	7:00pm (Sydney Time) on Thursday, 29 April 2021
Issue of Shares under tranche 2 of the Placement Appendix 2A and cleansing notice given to ASX	Friday, 30 April 2021
Prospectus despatched to Eligible Shareholders with personalised Entitlement and Acceptance Form and Company announces despatch has been completed. Notice also sent to Ineligible Shareholders	Tuesday, 4 May 2021
Last day to notify ASX of an extension to the Closing Date for the Entitlement Offer	Monday, 10 May 2021
Closing Date for the Entitlement Offer* Closing Date for the Director and Employee Options Offer	5:00pm (Sydney Time) on Thursday, 13 May 2021
Issue Date of Director and Employee Options under Director and Employee Options Offer	Thursday, 13 May 2021
Shares and New Options quoted on a deferred settlement basis (if agreed by ASX)	Friday, 14 May 2021
ASX announcement of results of Entitlement Offer Underwriter notified of shortfall to Entitlement Offer	Tuesday, 18 May 2021
Closing Date for Placement Options Offer and Underwriter Options Offer	Wednesday, 19 May 2021
Settlement of Underwriting	Wednesday, 19 May 2021
Issue date/Shares and New Options entered into Shareholders' security holdings Issue Date of New Options under Placement Options Offer and Underwriter Options Offer	Thursday, 20 May 2021
Quotation of Shares and New Options issued under the Entitlement Offer *	Friday, 21 May 2021

Quotation of New Options issued to Placement participants and the Underwriter (or its nominee/s) *	
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\* The Directors may extend the Closing Date for the Entitlement Offer by giving at least 3 Business Days' notice to ASX prior to the Closing Date for the Entitlement Offer. The Directors may extend the Closing Date for the Additional Offers at their discretion. As such the date the Shares and New Options are expected to commence trading on ASX may vary.

## **2. Details of the Offers**

### **2.1 The Entitlement Offer**

The Entitlement Offer is being made as a non-renounceable entitlement issue of one (1) Share for every four (4) Shares held by Shareholders registered at the Record Date, at an issue price of \$0.008 per Share, together with one (1) free attaching New Option for every two (2) Shares issued. In the calculation of any Entitlement, fractions of 0.5 or more will be rounded up to the nearest whole number and other fractions 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 Options are exercised or other Shares issued prior to the Record Date), approximately 134,046,345 Shares and 67,023,172 New Options, will be issued pursuant to the Entitlement Offer to raise up to approximately \$1,072,370.

As at the date of this Prospectus, the Company has no Options on issue.

All of the Shares offered under the Entitlement Offer will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4 for further information regarding the rights and liabilities attaching to the Shares. Please refer to Section 4 for the terms and conditions of New Options.

Details of the purpose and effect of the Entitlement Offer and the proposed use of funds raised are set out in Section 3.

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

### **2.2 Minimum subscription**

There is no minimum subscription.

### **2.3 Acceptance**

Your acceptance of the Entitlement Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Entitlement Offer as follows:

- (a) if you wish to accept your full Entitlement:
  - (i) make payment by BPAY® in accordance with Section 2.5 and the instructions on the accompanying Entitlement and Acceptance Form for the amount indicated on your Entitlement and Acceptance Form; or
  - (ii) complete the accompanying Entitlement and Acceptance Form, filling in the details in the spaces provided and in accordance with Section 2.4 attach your cheque, drawn on an Australian bank or bank draft or money order made payable in Australian currency, for the appropriate application monies (at \$0.008 per Share); or
- (b) if you only wish to accept part of your Entitlement:
  - (i) make payment by BPAY® in accordance with Section 2.5 and the instructions on the Entitlement and Acceptance Form for the amount of your Entitlement being

accepted. You will be deemed to have taken up that part of your Entitlement which is covered in full by your application monies; or

- (ii) complete the accompanying Entitlement and Acceptance Form, filling in the details in the spaces provided for the amount of your Entitlement being accepted and in accordance with Section 2.4 attach your cheque, drawn on an Australian bank or bank draft or money order made payable in Australian currency, for the appropriate Application monies (at \$0.008 per Share). You will be deemed to have taken up that part of your Entitlement which is covered in full by your application monies; or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

## **2.4 Payment by cheque/bank draft**

For payment by cheque, bank draft or money order please follow the instructions on your Entitlement and Acceptance Form. The Company shall not be responsible for any delivery delays in the receipt of your cheque and completed Entitlement and Acceptance Form.

## **2.5 Payment 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®:

- (a) 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, however, you are encouraged to return it to the share registry (by post or facsimile) for reconciliation purposes; and
- (b) 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.

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 unique customer reference number (**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).

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 5:00 pm (Sydney time) on the Closing Date for the Entitlement Offer. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

## **2.6 Underwriting**

The Entitlement Offer is fully underwritten by CPS Capital Group Pty Limited (ACN: 088 055 636) (AFSL: 294848) (**Underwriter**). Refer to Section 6.4 for details of the terms of the underwriting.



## 2.7 Effect on control of the Company

The Underwriter presently is not a shareholder of the Company and the extent to which Shares are issued pursuant to the underwriting will increase the Underwriter's voting power in the Company. The Underwriter's present relevant interest and changes under several scenarios are set out in the table below.

<b>Event</b>	<b>Shares held by Underwriter</b>	<b>Voting power of Underwriter</b>
Date of Prospectus	0	0%
<b>Completion of Entitlement Issue</b>		
Fully subscribed	0	0%
75% subscribed	33,511,586	5.00%
50% subscribed	67,023,172	10.00%
25% subscribed	100,534,759	15.00%
0% subscribed	134,046,345	20.00%

<b>Completion of Entitlement Issue and Tranche 2 of Placement</b>		
Fully subscribed	0	0%
75% subscribed	33,511,586	4.50%
50% subscribed	67,023,172	9.00%
25% subscribed	100,534,759	13.49%
0% subscribed	134,046,345	17.99%

The Underwriter is not underwriting or otherwise participating in Tranche 2 of the Placement. The Shares comprising tranche 2 of the Placement are anticipated to be issued the day after the Record Date.

The number of Shares held by the Underwriter and its voting power in the table above show the potential effect of the underwriting of the Entitlement Offer. However, it is unlikely that no Shareholders will take up Entitlements under the Entitlement Offer. The underwriting obligations and therefore voting power of the Underwriter will reduce by a corresponding amount for the amount of entitlements under the Entitlement Offer taken up by Eligible Shareholders. Furthermore, the voting power of the Underwriter will also be reduced to the extent that sub-underwriters take up any Shortfall.

The Company and the Underwriter have confirmed that no sub-underwriter nor existing Shareholder will increase its voting power to above 20% or from above 20% to a higher amount as a result of the Entitlement Offer or Shortfall Offer.

Shareholders should note that if they do not participate in the Entitlement Offer, their holdings likely to be diluted by approximately 20% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders is set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Entitlement Offer	Holdings if Entitlement Offer not taken up	% post Entitlement Offer
Shareholder 1	25,000,000	4.66%	6,250,000	25,000,000	3.73%
Shareholder 2	12,500,000	2.33%	3,125,000	12,500,000	1.86%
Shareholder 3	10,000,000	1.86%	2,500,000	10,000,000	1.49%
Shareholder 4	5,000,000	0.93%	1,250,000	5,000,000	0.74%
Shareholder 5	1,000,000	0.19%	250,000	1,000,000	0.14%

**Note:** The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer (which will be placed pursuant to the terms of the Underwriting Agreement). Percentages post-Entitlement Offer have been calculated on the basis of there being 670,231,723 Shares on issue on completion of the Entitlement Offer (but before the issue of any Shares under Tranche 2 of the Placement). Refer to Section 3.4 for further details of the Company's capital structure.

## 2.8 Shortfall Offer

Any Entitlement not taken up pursuant to the Entitlement Offer will form the Shortfall Offer.

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 for the Entitlement Offer although it is intended that the Shortfall Offer will close promptly following the Closing Date for the Entitlement Offer under the terms of the Underwriting Agreement.

The issue price for each Share to be issued under the Shortfall Offer shall be \$0.008 being the price at which Shares have been offered under the Entitlement Offer and the New Options will be issued on the same terms and ratio as New Option offered under the Entitlement Offer.

Shortfall will be placed pursuant to the terms of the Underwriting Agreement. Applications for the Shortfall to satisfy the terms of the Underwriting Agreement are to be made by completing the Shortfall Offer Application Form and providing the Company with payment for those Shortfall Securities in accordance with the instructions on the Shortfall Offer Application Form.

All decisions regarding the allocation of Shortfall Securities will be made by the Underwriter (in consultation with the Company). Do not complete a Shortfall Offer Application Form unless directed to do so by or the Company.

## 2.9 Additional Offers

This Prospectus includes the following Additional Offers. The primary purpose of the Additional Offers is to remove the need for an additional disclosure document to be issued upon the sale of any Shares that are issued upon conversion of any Options that are issued under the Additional Offers.

### (a) Placement Options Offer

The Company announced the Placement on 2 February 2021. The issue of Tranche 1 of the Placement Shares took place on 10 February 2021 and following Shareholder approval at

the Meeting, Tranche 2 of the Placement Shares are intended to be issued the day after the Record Date. Shares issued or to be issued under the Placement were offered to sophisticated and professional investors without disclosure under the Corporations Act. Shares issued under the Placement were or are to be issued at \$0.008 per Share, the same issue price as under the Entitlement Offer.

Participants in the Placement are entitled to one (1) free attaching New Option for every two (2) Shares issued under the Placement (the same ratio as the New Options attach to Shares being issued under the Entitlement Offer).

Only parties to whom Shares were or are to be issued under the Placement may apply under the Placement Options Offer. No funds are payable under the Placement Options Offer.

An Application Form in relation to the Placement Options Offer will be issued to the person eligible to receive New Options under the Placement Options Offer (or their nominee(s)) together with a copy of this Prospectus.

(b) Underwriter Options Offer

The Company has agreed to issued 20,000,000 New Options to the Underwriter (or its nominee/s) at an issue price of \$0.0001 per Option as part of its underwriting fee (see Section 6.4 in relation to the Underwriting Agreement). Payment must be made in full at the time of applying for the Underwriter Options in accordance with the instructions on the Underwriter Offer Application Form.

A total of \$2,000 will be raised pursuant to the Underwriter Options Offer and these funds will be applied to working capital.

Only the Underwriter or its nominee(s) may apply under the Underwriter Options Offer.

An Application Form in relation to the Underwriter Options Offer will be issued to the Underwriter (or its nominee(s)) together with a copy of this Prospectus.

(c) Director and Employee Options Offer

The Company has agreed to issue 21,000,000 Director Options to the Directors, and a total of 2,000,000 Employee Options to an employee and consultant.

The Director Options and Employee Options are in the same class. The terms and conditions of the Director and Employee Options are set out in Section 4.3.

Only the Directors or employees named in the relevant resolutions in the notice of meeting seeking Shareholder approval for these issues (or their nominee(s)) may apply under the Director and Employee Options Offer. No funds are payable for the Director Options or Employee Options.

An Application Form in relation to the Director and Employee Options Offer will be issued to the relevant persons (or their nominee(s)) together with a copy of this Prospectus.

## **2.10 ASX listing**

Application for Official Quotation of the Shares and New Options offered pursuant to this Prospectus will be made within 7 days of the date of this Prospectus. If ASX does not grant Official Quotation of the Shares and New Options offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not

issue any Securities and will repay all application monies for the Securities within the time prescribed under the Corporations Act, without interest.

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

## **2.11 Issue**

Securities issued pursuant to the Entitlement 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 pursuant to the terms of the Underwriting Agreement and the timetable set out at Section 1.

Securities issued pursuant to the Additional Offers will be issued pursuant to the terms of those Offers and the timetable set out at Section 1.

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 applicable 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 Entitlement Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at Section 1 and for Securities issued under the Shortfall Offer and Additional Offers as soon as practicable after their issue.

## **2.12 Overseas Shareholders**

The Offers do not, and are 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 Entitlement Offer is not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

In relation to the Shortfall Offer and the Additional Offers, the distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any 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. No action has been taken to register or qualify the Shortfall Offer or Additional Offers or the Securities under the Shortfall Offer or the Additional Offers, or to otherwise permit a public offering of the Securities under the Shortfall Offer or Additional Offers in any jurisdiction outside Australia.

## **2.13 New Zealand**

The Entitlement Offer is not being made to the public in New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the Entitlement Offer is being made

in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

#### **2.14 Nominees and custodians**

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident in other jurisdictions are responsible for ensuring that applying for Securities under the Entitlement 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.

#### **2.15 Representations**

The return of an Application Form or otherwise applying for Securities under an Offer will be taken by the Company to constitute a representation by the Applicant that it:

- (a) has received a printed or electronic copy of this Prospectus accompanying the Application Form and has read it in full;
- (b) agrees to be bound by the terms of this Prospectus and the Constitution;
- (c) has obtained all necessary approvals and complied with all relevant laws and regulations for the purposes of Section 2.12 and 2.13 (to the extent that they are applicable) and confirms its eligibility in respect of an offer of Securities under the applicable Offer;
- (d) declares that all details and statements in the Application Form are complete and accurate;
- (e) declares that it is over 18 years of age and has full legal capacity and power to perform all of its rights and obligations under the Application Form;
- (f) acknowledges that once the Application Form is returned or payment is made (if required) its acceptance may not be withdrawn;
- (g) agrees to being issued the number of new Securities that it applies for (or such other number issued in accordance with this Prospectus);
- (h) authorises the Company to register it as the holder(s) of the Securities issued to it under the applicable Offer;
- (i) acknowledges that the information contained in this Prospectus is not investment advice or a recommendation that the Securities are suitable for it, given its investment objectives, financial situation or particular needs; and
- (j) authorises the Company and its officers or agents to do anything on its behalf necessary for the new Securities to be issued to it, including correcting any errors in its Application Form or other form provided by it and acting on instructions received by the share registry using the contact details in the Application Form.

#### **2.16 Enquiries**

Any questions concerning the Offers should be directed to the Company on +61 2 9906 7551.

### 3. Purpose and effect of the Offers

#### 3.1 Purpose of the Offers

The purpose of the Entitlement Offer is to raise up to approximately \$1,072,370 (less costs of the Offers). The funds raised from the Entitlement Offer are intended to be used in accordance with the table set out below:

<b>Item</b>	<b>Amount</b>	<b>Proportion</b>
Estimate cash costs of the Offers <sup>1</sup>	\$115,000	10.7%
Nowa Nowa Iron exploration <sup>2</sup>	\$500,000	46.6%
Nowa Nowa Copper exploration <sup>3</sup>	\$200,000	18.7%
Working Capital <sup>4</sup>	\$257,370	24.0%
<b>Total</b>	<b>\$1,072,370</b>	<b>100%</b>

**Notes:**

1. Refer to Section 6.8 for further details relating to the estimated cash costs of the Offers.
2. This includes costs associated with a definitive feasibility study to commence in May 2021.
3. This includes costs associated with a 4 hole drill campaign to commence in May 2021.
4. Working capital to address administration costs and corporate overheads, including director fees, ASX listing fees, auditor fees and other service providers.

The above statement is a statement of current intentions as at the date of this Prospectus. The Board reserves the right to alter the way funds are applied.

The purpose of the Additional Offers is primarily to ensure that the Options (and Shares issued on exercise of those Options) are not subject to any on-sale restrictions under the Corporations Act.

#### 3.2 Effect of the Offers

The principal effect of the Offers, assuming all Securities offered under the Prospectus are issued, will be to:

- (a) increase the cash reserves by \$957,370 (after deducting the estimated cash costs of the Offers) immediately after completion of the Offers; and
- (b) increase the number of Shares on issue from 536,185,378 as at the date of this Prospectus to 670,231,723 Shares (subject to rounding of fractional Entitlements and ignoring the issue of Shares under tranche 2 of the Placement which is intended to occur after the Record Date but before the issue of Shares under the Entitlement Offer).
- (c) increase the number of Options on issue from nil as at the date of this Prospectus to 178,773,172 Options (subject to rounding of fractional Entitlements).

### 3.3 Pro-forma statement of financial position

Set out in Annexure A to this Prospectus is a reviewed statement of financial position as at 31 December 2020 and unaudited pro-forma statement of financial position as at 31 December 2020 prepared on the basis of the accounting policies normally adopted by the Company.

The pro-forma statement of financial position has been prepared assuming all Entitlements are accepted (ignoring the effects of rounding of fractional Entitlements) and includes expenses of the Offers.

The unaudited pro-forma statement of financial position has been prepared for illustrative purposes only and gives effect to the transactions described in the notes to the pro-forma statement of financial position and the assumptions described therein as if they had occurred as of 31 December 2020.

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.

The unaudited pro-forma statement of financial position should be read in conjunction with the historical financial statements of the Company.

### 3.4 Effect on capital structure

The effect of the Offers on the capital structure of the Company, assuming all Securities offered under the Prospectus are issued (ignoring the effects of rounding of fractional Entitlements, and assuming no further Shares are issued prior to the Record Date), is set out below.

<b>Security</b>	<b>Number</b>
<b>Shares<sup>1</sup></b>	
Shares on issue as at the date of this Prospectus	536,185,378
Shares offered under the Entitlement Offer	134,046,345
<b>Total Shares on issue on completion of the Entitlement Offer (excluding the issue of Shares under Tranche 2 of the Placement)</b>	<b>670,231,723</b>
Shares to be issued under Tranche 2 of the Placement	75,000,000
<b>Total Shares on issue on completion of the Offers and Tranche 2 of the Placement</b>	<b>745,231,723</b>
<b>Options<sup>2</sup></b>	
Options on issue as at the date of this Prospectus	nil
Options offered pursuant to the Entitlement Offer	67,023,172
Options issued pursuant to the Placement Option Offers	68,750,000
Options issued pursuant to the Underwriter Options Offer	20,000,000

Options issued pursuant to the Director and Employee Options Offer	23,000,0000
<b>Total Options on issue on completion of the Offers</b>	<b>178,773,172</b>

**Notes:**

1. The rights and liabilities attaching to the Shares are summarised in Section 4.1.
2. The rights and liabilities attaching to the New Options are summarised in Section 4.2 and the rights and liabilities of the Director and Employee Options are summarised in Section 4.3.

The capital structure on a fully diluted basis as at the date of this Prospectus is 536,185,378 Shares.

The capital structure on a fully diluted basis on completion of the Entitlement Offer only (i.e. excluding the issue of the Tranche 2 Placement Shares, the Placement Options, Underwriter Options, and Director and Employee Options, and ignoring the effect rounding of fractional Entitlements) would be 737,254,895 Shares and on completion of all Offers ( ignoring the effect of rounding of fractional Entitlements) would be 924,004,895 Shares.

### 3.5 Details of substantial holders

Based on publicly available information as at 22 April 2021 and a review of the Company's share register, there is currently one Shareholder who (together with their associates) has a relevant interest in 5% or more of the Shares on issue, as set out below.

	Shares	%
Citicorp Nominees Pty Limited	136,660,836	25.5%

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



## **4. Rights and liabilities attaching to Securities**

### **4.1 Rights and liabilities attaching to Shares**

The following is a general description of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive. Full details of provisions relating to rights attaching to the Shares are contained in the Corporations Act, ASX Listing Rules and the Company's Constitution. A copy of the Company's Constitution was released to ASX on 14 May 2008.

(a) General meetings

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

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

(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 the Share, 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 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 in Shares which are participating Shares in the dividend reinvestment plan.

(d) Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, 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 of the Company, 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 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.

(f) Transfer of Shares

Generally, Shares 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 or the ASX Listing Rules.

(g) Variation of rights

Pursuant to 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.

(h) Alteration of 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. 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 and Conditions of New Options

(a) Entitlement

Each New Option entitles the holder to subscribe for one Share upon exercise of the New Option.

(b) Exercise Price

Subject to paragraph (i), the amount payable upon exercise of each New Option will be \$0.012 (**Exercise Price**).

(c) Expiry Date

Each New Option will expire at 5:00 pm (WST) on or before 31 January 2023 (**Expiry Date**). An New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

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

(e) Notice of Exercise

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

(f) Exercise Date

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

(g) Timing of issue of Shares on exercise

Following the Exercise Date and within the time period specified by the ASX Listing Rules, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of New 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 New 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 New 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 a holder 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 New Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options without exercising the New Options.

(k) Change in exercise price or number of underlying securities

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

(l) Transferability

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

#### **4.3 Terms and Conditions of Director Options and Employee Options**

(a) Entitlement

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

(b) Exercise Price

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.0142 (**Exercise Price**).

(c) Expiry Date

Each Option will expire at 5:00 pm (WST) on or before the date that is two years less one day from the date of issue of the Options (**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

Following the Exercise Date and within the time period specified by the ASX Listing Rules, 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 a holder 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 or number of underlying securities

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

(l) Transferability

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

## 5. Risk factors

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

The Directors consider that the matters summarised in this Section 5, which is not exhaustive, represent some of the major risk factors which Applicants need to be aware of in evaluating the Company's business and risks associated with an investment in the Company. Investors should carefully consider the following factors in addition to the other information presented in this Prospectus.

### 5.1 Specific risks

#### (a) Exploration Risks

Shareholders should understand that mineral exploration and development are high risk undertakings. The Company's exploration programs, or any other projects that it may acquire in future, may not result in the discovery of a commercially viable economic mineral deposit.

The success of exploration programs is dependent on many factors including:

- Access to required development capital;
- Positive movements in the price of iron or copper and exchange rate fluctuations;
- Securing and maintaining title to the Company's exploration and mining tenements;
- Obtaining all consents and approvals (including environmental approvals) necessary for the conduct of its exploration activities;
- Successfully managing development operations;
- Successful conclusion to bankable feasibility studies;
- The design and construction of efficient mining and processing facilities within capital expenditure budgets;
- Access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees;
- Adverse weather conditions over a prolonged period can adversely affect exploration and mining operations and the timing of receipt of revenues; and
- Other risk factors including costs, actual mineralisation, consistency and reliability of ore grades and commodity prices may affect successful project development and mining operations.

There can be no assurance that exploration and development of the Company's projects will result in the determination of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The marketability of iron or copper acquired or discovered by the Company may be affected by numerous factors that are beyond the control of the Company and cannot be accurately predicted, such as market fluctuations, the proximity and capacity of rail and port facilities, processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, exporting of ore, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return on investment capital.

Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(b) Tenure

(i) Tenements in which the Company has an interest are subject to a number of specific legislative conditions including payment of rent and meeting minimum annual expenditure commitments. The inability to meet these conditions could affect the standing of these tenements or restrict their ability to be renewed, adversely affecting the operations, financial position, and performance of the Company.

(ii) The *Native Title Act 1993 (Cth)* (**Native Title Act**) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with native title in Australia and this may impact operations and future plans. Native title can be extinguished by valid grants of land or waters to people other than the native title holders or by valid use of land or waters. It can also be extinguished if the indigenous group has lost their connection with the relevant land or waters. Native title is not extinguished by the grant of mining leases, as they are not considered to be grants of exclusive possession. A valid mining lease prevails over native title to the extent of any inconsistency for the duration of the title.

(iii) For tenements to be validly granted (or renewed) after 23 December 1996 the special "right to negotiate" regime established by the Native Title Act must be followed. It is important to note that the existence of a native title claim is not an indication that native title in fact exists to the land covered by the claim, as this is a matter ultimately determined by the Federal Court. The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

(iv) Native title has been granted over a large area including the Nowa Nowa Project area. The Company currently has a valid agreement with the title holders covering the exploration phase but a further agreement will need to be concluded for mining to take place. Formulation and execution of this agreement could cause delays in accessing the area for mining.

(c) Land access and third party risk

(i) Land access is critical for exploration and evaluation to succeed. Access to land for exploration purposes can be affected by land ownership, including private (freehold) land, pastoral leases, and native title land or claims under the Native Title Act. Tenements in which the Company at a future date may acquire an interest could be subject to legitimate common law native title rights. If it is found

that such rights do exist, the ability of the Company to gain access to and otherwise exploit the tenements may be adversely affected.

- (ii) Under Victorian and Commonwealth legislation, the Company may be required to obtain the consent of and pay compensation to the holders of third party interests which overlay areas within the Company's projects, including native title claims and pastoral leases, prior to accessing or commencing any exploration or mining activities on the affected areas within the Company's projects. Any delay in obtaining these consents may impact on the Company's ability to carry out exploration activities or mining within the affected areas.

(d) Resource Estimation risk

- (i) Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their nature, resource estimates are imprecise and depend to some extent on interpretation. Estimates are likely to change as further information becomes available through fieldwork and analysis. This may result in alterations to development and mining plans.
- (ii) The actual quality and characteristics of mineral deposits cannot be known until mining takes place and will almost always differ from the assumptions used to develop resource estimates. Consequently, actual mineral resources may differ from those estimated, which may result in either a positive or negative effect on operations.

(e) Environmental risk

Mining and exploration is subject to increasing environmental responsibility and liability. The potential for liability is an ever present risk. 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.

While the Company is not presently aware of any endangered species of fauna and flora within any of its tenements, 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 or flora may impact upon the Company's ability to freely explore its tenements.

The Nowa Nowa Project lies within an area which has been designated as a Special Management Zone under the Victorian Government's Forest Management Plan. These areas are managed to allow for invasive activities such as forestry and mining while preserving certain specific biodiversity issues. Insufficient work has been done to identify whether there are any specific issues of conservation within the project area, however should these be shown to exist they could hinder the ability to access all or part of the area for mining purposes.

(f) Metals price risk

Metals prices fluctuate and are affected by numerous industry factors including demand, forward selling by producers, production costs levels in major producing regions and



macro-economic factors, e.g., inflation, interest rates, currency exchange rates and global and regional demand for, and supply of, iron ore. The long term economic viability of the Company's projects will depend on iron ore prices to a material extent.

(g) Transport and port capacity risk

If the Company were to rely upon existing infrastructure, in the event that the Company progresses to production, there is no guarantee that suitable capacity will be available to the Company if and when the Company requires such capacity on commercially acceptable terms. Any failure by the Company to secure appropriate capacity on available infrastructure should the Company progress to production could have a material adverse effect on the Company's business, financial condition and results of operations.

(h) Reliance on key personnel

The Company currently has a limited number of executives and senior personnel with appropriate experience in the exploration and development of mineral assets. Its progress in pursuing its exploration and evaluation programs within the time frames and with the costs structure as currently envisaged could be adversely affected by the loss of existing key personnel or a failure to secure and retain additional key personnel as the Company's exploration program develops.

(i) Exploration cost risk

The exploration costs of the Company are premised on a number of assumptions and estimates regarding the method and timing of exploration. These assumptions and estimates are, by their nature, speculative and subject to a number of uncertainties. Consequently, the Company does not give any assurance that the costs estimates and underlying assumptions will be realised in practice, which may adversely affect the Company's viability.

(j) Ability to exploit successful discoveries

Even if an apparently viable deposit is identified, there is no guarantee that the Company can economically exploit it. That is, it may not always be possible for the Company to participate in the exploitation of successful discoveries made in any areas in which it has an interest because such exploitation may require further intensive capital input as well as further licences and clearances from relevant authorities. The Company notes that it may or may not be possible for such conditions to be satisfied.

(k) Compulsory work obligations

Tenements in which the Company has an interest are subject to compulsory work or expenditure obligations for each permit year, which must be met in order to keep the permit in good standing. The Company's financial performance may be adversely impacted if these compulsory work obligations are increased or varied. Significantly, failure to meet compulsory obligations may lead to forfeiture of the tenements.

(l) Insurance risk

The Company faces various risks in conducting its business and may lack adequate insurance coverage or may not have the relevant insurance coverage. Insurance against all risks associated with mining exploration and production is not always available and, where available, the cost can be prohibitive. The Company has insured its operations in accordance with industry practice. However, the Company's insurance coverage may not be

of such a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the Company's business, financial condition and results.

(m) Litigation

The Company may in the ordinary course of business become involved in litigation and disputes, for example with its contractors. Any such litigation or dispute could involve significant economic costs and damage to relationships with contractors, or other stakeholders. Any such outcomes may have an adverse impact on the Company's business, market reputation and financial condition and financial performance. The Company is not currently engaged in any litigation.

(n) Future Funding Needs

Further funding may be required by the Company in the event costs exceed estimates, to support its ongoing operations and implement its strategies. For example, funding may be needed to continue exploration programs or acquire complementary businesses or assets. Accordingly, the Company may need to engage in equity or debt financings to secure additional funds. There can be no assurance that such funding will be available on satisfactory terms or at all at the relevant time. Any inability to obtain sufficient financing for the Company's activities and future projects may result in the delay or cancellation of certain activities or projects, which would likely adversely affect the potential growth of the Company.

## 5.2 General risks

(a) Economic and financial market risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of capital; and
- (vi) terrorism or other hostilities.

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. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(b) Force majeure

The Company, now or in the future, may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(c) Acquisitions

As part of its business strategy, the Company may make acquisitions of, or significant investments in, mineral exploration assets or companies that are complementary to the Company's business. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies and assets, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, and retaining key staff and supplier relationships.

(d) Trading price of Shares

The Company's operating results, economic and financial prospects and other factors will affect the trading price of the Shares. In addition, the price of Shares is subject to varied and often unpredictable influences on the market for equities, including, but not limited to, general economic conditions including the performance of the Australian dollar on world markets, inflation rates, foreign exchange rates and interest rates, variations in the general market for listed stocks in general, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving the Shares.

In particular, the share prices for many companies have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.

(e) Other risks

This list of risk factors above is not an exhaustive list of the risks faced by the Company or by investors in the Company. The risk factors described in this Section 5 as well as risk factors not specifically referred to above may in the future materially affect the financial performance of the Company and the value of its securities.

Investors should consider that an investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares under the Offer.

## **6. Additional information**

### **6.1 Litigation**

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

### **6.2 Continuous disclosure**

As the Company is admitted to the official list of ASX, the Company is a "disclosing entity" for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

Price sensitive information is publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants is also managed through disclosure to ASX. In addition, the Company posts information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

Investors are encouraged to check and monitor any further announcements made by the Company to ASX prior to Securities being issued under the Offers. To do so, please refer to the Company's ASX announcements platform via [www.asx.com.au](http://www.asx.com.au).

By virtue of section 713 of the Corporations Act, the Company is entitled to issue a "transaction-specific" prospectus in respect of the Offers.

In general terms, a "transaction-specific prospectus" is only required to contain information in relation to the effect of the issue of Securities on the Company and the rights and liabilities attaching to the Securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position and performance, profits and losses or prospects of the issuing company.

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

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of 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 of the Company for the financial year ended 30 June 2020;
  - (ii) any half-year financial report of the Company lodged with ASIC after the lodgement of the annual financial report referred to above and before the lodgement of this Prospectus with ASIC; and
  - (iii) all continuous disclosure notices given by the Company after the lodgement of the annual financial report referred to above and before the lodgement of this Prospectus with ASIC (see below).

There is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules that investors or their professional advisers:

- (d) 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 the securities the subject of this Prospectus; and
- (e) would reasonably expect to find in this Prospectus.

This Prospectus contains information specific to the Offers. If investors require further information in relation to the Company, they are recommended to take advantage of the opportunity to inspect or obtain copies of the documents referred to above.

The following announcements have been lodged with ASX in respect of the Company since the Company lodged its annual financial report for the financial year ended 30 June 2020 on 28 September 2020.

<b>Date</b>	<b>Title</b>
28/09/20	ASX Appendix 4G and Corporate Governance Statement
7/10/20	Nowa Nowa Exploration Update
30/10/20	Quarterly Activities Report
30/10/20	Quarterly Cashflow Report
14/12/20	Pause in Trading
14/12/20	Trading Halt
16/12/20	Response to ASX Price Query
21/12/20	Nowa Nowa Exploration Update
24/12/20	Notice of Annual General Meeting/Proxy Form
29/01/21	Trading Halt
29/01/21	Results of Meeting
01/02/21	Quarterly Activities Report
01/02/21	Quarterly Cashflow Report

02/02/21	Placement and Underwritten Rights Issue to Raise \$2.2m
02/02/21	Proposed Issue of Securities - EFE
02/02/21	Proposed Issue of Securities - EFE
02/0/21	Proposed Issue of Securities – EFE
10/02/21	Appendix 2A
10/02/21	Issue of Placement Shares and Cleansing Statement
23/02/21	Change to Record Date and Ex Dates for Entitlements Issue
24/02/21	Amendment to previous Appendix 3B
09/03/21	Change to Record and Ex Dates for Entitlements Issue
09/03/21	Amendment to Previous Appendix 3B
12/03/21	Notice of General Meeting/Proxy Form
15/03/21	Half Yearly Report and Accounts
16/03/21	Change to Record Date and Ex Dates for Entitlement Issue
16/03/21	Suspension from Official Quotation
18/03/21	Replacement ASX Appendix 3B
18/03/21	Proposed issue of Securities – EFE
18/03/21	Reinstatement to Official Quotation
29/03/21	Entitlements Issue – Revised Underwriting
13/04/21	Results of Meeting
20/04/21	Feasibility Study Update Commences at Nowa Nowa Iron Project

### 6.3 Market price of Shares

The highest and lowest closing prices of Shares on the ASX during the 3 months preceding the date of this Prospectus, and the closing price on the trading day before the date of this Prospectus, are set out below.

	<b>Price</b>	<b>Date</b>
Highest	\$0.017	20 April 2021
Lowest	\$0.010	Various dates, most recently 7 April 2021
Last	\$0.012	22 April 2021

#### **6.4 Underwriting Agreement**

By an agreement between the Underwriter and the Company (**Underwriting Agreement**), the Underwriter has agreed to fully underwrite the Entitlement Offer.

Pursuant to the Underwriting Agreement, the Company has agreed to:

- (a) pay the Underwriter (or its nominee/s) an underwriting fee of \$10,000 (exclusive of GST), 5% (exclusive of GST) of the total amount raised under the Offer and a management fee of 1% (exclusive of GST) of the total amount raised under the Offer (totalling approximately \$74,342.20); and
- (b) issue 20,000,000 New Options to the Underwriter (or its nominees) at an issue price of \$0.0001 per New Option.

The Underwriter will be responsible for any fees payable to any sub-underwriters or other brokers involved in the Entitlement Offer and introduced by the Underwriter.

The Underwriter is also entitled to be reimbursed for reasonable costs and expenses incidental to the Entitlement Offer.

The obligation of the Underwriter to underwrite the Entitlement Offer is subject to certain events of termination set out in Annexure B.

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

#### **6.5 Director interests**

Other than as set out below or elsewhere in this Prospectus, no existing, alternate or proposed Director holds at the date of this Prospectus, or has held in the 2 years prior to the date of this Prospectus, an interest in:

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

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to an existing, alternate or proposed Director to induce them to become, or qualify as, a Director or for services in connection with the formation or promotion of the Company or the Offers.

## Remuneration

The remuneration (including superannuation unless stated otherwise) paid to the Directors and alternate director for the two financial years prior to the date of this Prospectus, and proposed to be paid to the Directors and alternate director for the current financial year (on an annualised basis), is set out below.

Director	Position	FY 2019	FY 2020	FY 2021
Eddie King <sup>1</sup>	Non-Executive Chairman	\$84,000	\$60,000	\$60,000
Myles Fang <sup>2</sup>	Non-Executive Director	\$105,417	\$78,370	\$60,000
Therese-Marie Taylor <sup>3</sup>	Non-Executive Director	\$60,000	\$60,000	\$60,000
Alternate Director				
Nathan Taylor <sup>4</sup>	Alternate to Therese-Marie Taylor	Nil	Nil	Nil

### Notes:

1. Mr King was appointed as Director on 10 July 2017. Mr King is currently paid a fee of \$60,000 per annum. The Company has agreed and Shareholders have approved the issue of a total of 7,000,000 Director Options to Mr King (or his nominee). These Options will be issued to Mr King (or his nominee) pursuant to the Director and Employee Options Offer. Refer to Section 4.3 for information on the exercise price and expiry date of these Options.
2. Mr Fang was appointed as a Director on 12 March 2018. Mr Fang was paid as the Company's Executive Director and Acting CEO up to 30 September 2018. The Company has agreed and Shareholders have approved the issue of a total of 7,000,000 Director Options to Mr Fang (or his nominee/s). These Options will be issued to Mr Fang (or his nominee/s) pursuant to the Director and Employee Options Offer. Mr Fang is currently paid a fee of \$60,000 per annum. Mr Fang is also paid a consulting rate of \$220/hour (plus GST) for additional services provided to the Company as approved by the Remuneration Committee.
3. Ms Taylor was appointed as a Director on 10 July 2017. Ms Taylor is currently paid a fee of \$60,000 per annum. The Company has agreed and Shareholders have approved the issue of a total of 7,000,000 Director Options to Ms Taylor (or her nominees/). These Options will be issued to Ms Taylor (or her nominee/s) pursuant to the Director and Employee Options Offer.
4. Mr Taylor is an alternate to Ms Taylor and was appointed on 17 July 2017. Mr Taylor has not been paid by the Company.

## Securities

The Securities in which the Directors and alternate director and their associates have or are proposed to have relevant interests in at the date of this Prospectus are set out below.

Director	Shares	Options	Entitlement	Director Options to be issued pursuant to the Director and
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				<b>Employee Options Offer</b>
Eddie King	Nil	Nil	Nil	7,000,000
Myles Fang	70,000	Nil	17,500 Shares (\$140) 8,750 New Options	7,000,000
Therese-Marie Taylor	11,904,767	Nil	2,976,192 Shares (\$23,809.54) 1,488,096 New Options	7,000,000
<b>Alternate Director</b>				
Nathan Taylor <sup>1</sup>	11,904,767	Nil	2,976,192 Shares 1,488,096 New Options	Nil

The Board confirms that Mr Fang and Ms Taylor each intend to take up their Entitlements in full.

**Notes:**

1. Nathan Taylor has a relevant interest in the Shares held by his wife, Therese-Marie Taylor.

## 6.6 Interests of experts and advisers

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

- 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;
- promoter of the Company; or
- 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:

- the formation or promotion of the Company;
- any property acquired or proposed to be acquired by the Company in connection with:
  - its formation or promotion; or
  - the Offers; or
- the Offers,

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

- the formation or promotion of the Company; or
- the Offers.

CPS Capital Group Pty Ltd is acting as Underwriter to the Entitlement Offer and will be paid the fees set out in Section 6.4 for those services. During the 24 months preceding lodgement of this Prospectus with the ASIC, CPS has been paid a total of \$26,775 (plus GST) in fees by the Company in relation to services provided with capital raisings conducted in February 2021 and August 2020 and expects to pay CPS a further \$12,750 (plus GST) in fees in relation to services provided with the placement of the Tranche 2 Shares.

Edwards Mac Scovell has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Edwards Mac Scovell \$20,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Edwards Mac Scovell has not been paid nor is owed fees for any other legal services provided to the Company in connection with the formation or promotion of the Company or the Offers.

## 6.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, any 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.

CPS has given its written consent to being named as Underwriter to the Entitlement Offer in this Prospectus. CPS has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Edwards Mac Scovell has given its written consent to being named as the solicitors to the Company in this Prospectus. Edwards Mac Scovell has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

BDJ Partners has given its written consent to use of the reviewed statement of financial position as at 31 December 2020 set out in Annexure A to this Prospectus. BDJ Partners has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

## 6.8 Estimated cash costs of the Offers

The estimated cash costs of the Offers (exclusive of GST) are set out below.

Item	Amount
ASIC fees	\$3,206
ASX fees	\$11,157

Underwriting fees	\$74,342
Legal fees	\$20,000
Printing and distribution	\$6,295
<b>Total</b>	<b>\$115,000</b>

## 6.9 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on the number set out in the Corporate Directory to this Prospectus and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website as set out in the Corporate Directory to this Prospectus.

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.

## 6.10 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.

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

The Company will not be issuing share or option certificates. The Company is a participant 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. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares or Options 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.

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.

## 6.12 Privacy Act

If you complete an application for Securities, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the

Company, facilitate distribution payments and corporate communications to you as a Security holder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, 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 Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (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.

## **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.

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**Eddie King**  
**Non-Executive Chairman**  
**For and on behalf of Eastern Iron Limited**

## 8. Glossary

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

**Additional Offers** means the Placement Options Offer, the Director and Employee Options Offer and the Underwriter Options Offer.

**Applicant** means an applicant under an Offer.

**Application Form** means an Entitlement and Acceptance Form, a Shortfall Offer Application Form, a Placement Options Offer Application Form, a Director and Employee Options Offer Application Form or an Underwriter Options Offer 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 CHES.

**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) for the specified Offer.

**Company** or **Eastern Iron** means Eastern Iron Limited (ACN 126 678 037).

**Constitution** means the constitution of the Company as at the date of this Prospectus. Corporations Act means the *Corporations Act 2001* (Cth).

**Director and Employee Options Offer** means the offer of Director Options or Employee Options made pursuant to this Prospectus.

**Director and Employee Options Offer Application Form** means the application form either attached to or accompanying this Prospectus relating to the Director and Employee Options Offer.

**Director Options** means Options on the terms and conditions set out in Section 4.3.

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

**Eligible Shareholders** means a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date and have a registered address in Australia or New Zealand.

**Employee Options** means Options on the terms and conditions set out in Section 4.3.

**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 in respect of the Entitlement Offer either attached to or accompanying this Prospectus.

**Entitlement Offer** means the non-renounceable entitlement issue of Shares and New Options made pursuant to this Prospectus.

**Ineligible Shareholder** means a Shareholder as at the Record Date who is not an Eligible Shareholder.

**Meeting** means the general meeting of Shareholders held on 13 April 2021.

**New Options** means Options on the terms and conditions set out in Section 4.2.

**Offers** means the Entitlement Offer, the Placement Options Offer, the Director and Employee Options Offer and the Underwriter Options Offer and an **Offer** means any one of them as the context requires.

**Official Quotation** means official quotation on ASX.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Placement** means the placement of 137,500,000 Shares to sophisticated and professional investors at an issue price of \$0.008 per Share, together with one New Option for every two Shares subscribed for and issued, to raise approximately \$1,100,000, as announced to ASX on 2 February 2021.

**Placement Options Offer** means the offer of New Options to participants in the Placement as made pursuant to this Prospectus.

**Placement Options Offer Application Form** means the application form either attached to or accompanying this Prospectus relating to the Placement Options Offer.

**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 Options.

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

**Shareholder** means a holder of a Share.

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

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

**Shortfall Offer** means the offer of the Shortfall on the terms and conditions set out in Section 2.8.

**Shortfall Securities** means those Securities issued pursuant to the Shortfall.

**Tranche 1 Shares** means 62,500,000 Shares issued to sophisticated and professional investors under the Placement on 10 February 2021.

**Tranche 2 Shares** means 75,000,000 Shares to be issued to sophisticated and professional investors under the Placement following the Record Date.

**Underwriter** or **CPS** means CPS Capital Group Pty Ltd (ACN: 088 055 636) (AFSL: 294 848).

**Underwriting Agreement** has the meaning given to it in Section 6.4

**Underwriter Options Offer** means the offer of New Options to the Underwriter (or its nominee/s) as made pursuant to this Prospectus.

**Underwriter Options Offer Application Form** means the application form either attached to or accompanying this Prospectus relating to the Underwriter Options Offer.

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



## Annexure A – Pro-forma statement of financial position

	Balance sheet 31-Dec-2020	Post Balance Date Adjustments Share placement	Post Balance Date Adjustments Non-renouceable entitlement issue	Balance Sheet Pro-Forma
	Reviewed (A\$)	Unaudited	Unaudited (A\$)	Unaudited (A\$)
<b>CURRENT ASSETS</b>				
Cash & cash equivalents	127,990	1,030,000	957,371	2,115,361
Receivables	11,440			11,440
<b>TOTAL CURRENT ASSETS</b>	<b>\$139,430</b>	<b>\$1,030,000</b>	<b>957,371</b>	<b>2,126,801</b>
<b>NON-CURRENT ASSETS</b>				
Tenement security deposits	20,000			20,000
Plant & equipment	696			696
Exploration & Evaluation Expenditure	3,171,273			3,171,273
<b>TOTAL NON CURRENT ASSETS</b>	<b>\$3,191,969</b>	<b>-</b>	<b>-</b>	<b>\$3,191,969</b>
<b>TOTAL ASSETS</b>	<b>\$3,331,399</b>	<b>\$1,030,000</b>	<b>\$957,371</b>	<b>5,318,770</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	142,432			142,432
<b>TOTAL CURRENT LIABILITIES</b>	<b>142,432</b>		<b>-</b>	<b>142,432</b>
<b>TOTAL LIABILITIES</b>	<b>\$142,432</b>		<b>-</b>	<b>\$142,432</b>
<b>NET ASSETS</b>	<b>\$3,188,967</b>		<b>957,371</b>	<b>5,176,338</b>
<b>EQUITY</b>				
Contributed equity	15,262,539	1,030,000	957,371	17,249,910
Reserves	-	101,357	90,205	191,562
Accumulated losses	(12,073,572)	(101,357)	(90,205)	(12,265,134)
<b>TOTAL EQUITY</b>	<b>3,188,967</b>	<b>1,030,000</b>	<b>957,371</b>	<b>5,176,338</b>

**Notes:**

Share placement adjustments relate to:

- (a) The issue of 137,500,000 Shares at an issue price of \$0.008 per Share and 68,750,000 free attaching New Options on the basis of one New Option for every two Shares issued, to raise net proceeds of \$1,030,000 after the estimated cash costs of \$70,000.
- (b) The issue of the Director Options and Employee Options under the Director and Employee Options Offer valued using the Black-Scholes method of valuation for a value per Option of \$0.0044 providing a total financial benefit of \$101,357.

Entitlement issue adjustments relate to:

- (c) The issue of Shares and New Options pursuant to the Entitlement Offer to raise net proceeds of \$957,371 after the estimated cash costs of \$115,000.
- (d) The issue of Underwriter Options under the Underwriter Options Offer valued using the Black-Scholes method of valuation for a value per Option of \$0.0045 providing a total financial benefit of \$90,205.

## Annexure B – Underwriting Agreement

The Underwriter may terminate its obligations under the Underwriting Agreement if:

- (a) **(Shareholder Approval)**: the Company does not obtain Shareholder approval, if required, for the issue of securities pursuant to the Entitlement Offer;
- (b) **(Indices fall)**: the S&P ASX 200 Index falls to a level that is 90% or less of the level as at the close of trading on the day immediately prior to the date of the Underwriting Agreement and is at or below that level at the close of trading:
  - (i) for 2 consecutive Business Days during any time after the date of the Underwriting Agreement; or
  - (ii) on the Business Day immediately prior to the day of settlement for the Entitlement Offer;
- (c) **(Prospectus)**: the Prospectus or the Offer is withdrawn by the Company;
- (d) **(No Listing Approval)**: the Company fails to lodge an Appendix 3B in relation to the underwritten securities with ASX by the time required by the Listing Rules, the Corporations Act or any other regulations;
- (e) **(No Official Quotation)**: ASX has advised the Company in writing that it will not grant official quotation to the underwritten shares on or prior to the Shortfall Notice Deadline Date;
- (f) **(Supplementary prospectus)**:
  - (i) the Underwriter, having elected not to exercise its right to terminate its obligations under the Underwriting Agreement as a result of an occurrence as described in "Adverse Change", forms the view on reasonable grounds that a supplementary prospectus should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a supplementary prospectus in such form and content and within such time as the Underwriter may reasonably require; or
  - (ii) the Company lodges a supplementary prospectus without the prior written agreement of the Underwriter, which will not be unreasonably withheld;
- (g) **(Non-compliance with disclosure requirements)**: it transpires that the Prospectus does not contain all the information that investors and their professional advisers would reasonably require to make 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 the underwritten securities;
- (h) **(Misleading Prospectus)**: it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of Sections 711, 713 and 716 of the Corporations Act) or if any statement in the Prospectus becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive;
- (i) **(Restriction on issue)**: the Company is prevented from issuing the underwritten securities within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;

- (j) **(Withdrawal of consent to Prospectus)**: any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent;
- (k) **(ASIC application)**: an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Prospectus, which is not dismissed or withdrawn by the Shortfall Notice Deadline Date;
- (l) **(ASIC hearing)**: ASIC gives notice of its intention to hold a hearing under section 739 of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or ASIC makes an interim or final stop order in relation to the Prospectus under section 739 of the Corporations Act;
- (m) **(Hostilities)**: there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of this agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China, Israel or any member of the European Union other than hostilities involving Libya, Afghanistan, Iraq, Iran, Syria, Lebanon or Israel, 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 and the Underwriter believes (on reasonable grounds) that the outbreak or escalation or terrorist act is likely to result in the S&P ASX 200 Index falling by the percentage contemplated by the "Indices fall" termination event;
- (n) **(Authorisation)**: any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter acting reasonably;
- (o) **(Event of Insolvency)**: an Event of Insolvency occurs in respect of a Relevant Company;
- (p) **(Indictable offence)**: a director or proposed director named in the Prospectus is charged with an indictable offence; or
- (q) **(Termination Events)**: subject always to in the reasonable opinion of the Underwriter reached in good faith, it has or is likely to have, or those events together have, or could reasonably be expected to have, a Material Adverse Effect or could give rise to a liability of the Underwriter under the Corporations Act, upon the occurrence of any of the following events:
  - (i) **(Default)**: default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;
  - (ii) **(Incorrect or untrue representation)**: any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect in a material respect;
  - (iii) **(Contravention of constitution or Act)**: a material contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
  - (iv) **(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;

- (v) **(Error in Due Diligence Results)**: it transpires that any of the due diligence results or any part of the verification material was materially false, misleading or deceptive or that there was a material omission from them;
- (vi) **(Significant change)**: a "new circumstance" as referred to in section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
- (vii) **(Public statements)**: without the prior approval of the Underwriter a public statement is made by the Company in relation to the Entitlement Offer or the Prospectus other than a statement the Company is required to make in order to comply with its disclosure obligations under the Listing Rules and/or the Corporations Act;
- (viii) **(Misleading information)**: any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Entitlement Offer or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;
- (ix) **(Change in Act or policy)**: there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy that has not been publicly disclosed or proposed as at the date of this Agreement, other than in relation or response to the current COVID-19 global health pandemic;
- (x) **(Prescribed Occurrence)**: a Prescribed Occurrence occurs, other than as disclosed in the Prospectus;
- (xi) **(Suspension of debt payments)**: the Company suspends payment of its debts generally;
- (xii) **(Judgment against a Relevant Company)**: a judgment in an amount exceeding \$100,000.00 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;
- (xiii) **(Litigation)**: litigation, arbitration, administrative or industrial proceedings are after the date of this Agreement commenced against any Relevant Company, other than any claims foreshadowed in the Prospectus;
- (xiv) **(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;
- (xv) **(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;
- (xvi) **(Timetable)**: there is a delay in any specified date in the Timetable which is greater than 5 Business Days, without the consent of the Underwriter;
- (xvii) **(Force Majeure)**: a Force Majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs, without the consent of the Underwriter;

- (xviii) **(Certain resolutions passed)**: a Relevant Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (xix) **(Capital Structure)**: any Relevant Company alters its capital structure in any manner not contemplated by the Prospectus excluding the issue of any Shares upon the exercise of options issued in the Company, such options having been disclosed to the ASX as at the date of the Underwriting Agreement;
- (xx) **(Breach of Material Contracts)**: any of the Contracts is terminated or substantially modified;
- (xxi) **(Investigation)**: any person is appointed under any legislation in respect of companies to investigate the affairs of a Related Company; or
- (xxii) **(Market Conditions)**: after the date of the Underwriting Agreement, 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, other than in relation or response to the current COVID-19 global health pandemic.

Capitalised words used in the termination events that are not defined in the Prospectus have the meaning set out in the Underwriting Agreement.