

ADAVALE RESOURCES LIMITED
ACN 008 719 015

OPTIONS PROSPECTUS

This Prospectus contains the offer of:

- (a) 64,994,160 Options exercisable at \$0.03 per Option on or before 31 December 2025 (**Convertible Note Options Offer**); and
- (b) 13,340,000 Options exercisable at \$0.03 per Option on or before 31 December 2025 (**Broker Options Offer**),

(together, the **Offers**).

No funds will be raised under the Offers.

IMPORTANT NOTICE

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

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

IMPORTANT NOTICE

This Prospectus is dated 7 June 2023 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

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

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

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

Applications for New Options offered pursuant to this Prospectus can only be made by an original Entitlement and Acceptance Form.

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

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

No Investment Advice

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

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

Forward-looking statements

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

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

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

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

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

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5.

Overseas shareholders

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.

The Offers are not being extended and Options will not be issued to Shareholders with a registered address which is outside Australia, except to an Investor exempt from local prospectus or registration requirements, as set out in Section 2.9.

Continuous disclosure obligations

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

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

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

Please refer to Section 6.2 for further details.

Target Market Determination

A target market determination statement is not included for the offer of Options under this Prospectus due to the fact that the design and distribution obligations do not apply to an offer of Options to investors who fall within the exception set out in section 708 of the Corporations Act.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.adavaleresources.com/. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian or New Zealand resident and must only access this Prospectus from within Australia or New Zealand.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on + 61 02 8003 6733 during office hours or by emailing the Company at investor@adavaleresources.com.

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

Company Website

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

Financial forecasts

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

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

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

Electronic sub-registers mean that the Company will not be issuing

certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

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

Definitions and Time

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

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

Privacy statement

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

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

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

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the

information required on the application for Securities, the Company may not be able to accept or process your application.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offers please call the Company Secretary on + 61 02 8003 6733.

CORPORATE DIRECTORY

Directors

Grant Pierce
Non-Executive Chairman

David Riekie
Executive Director

John Hicks
Non-Executive Director

CEO

Allan Ritchie

CFO and Company Secretary

Leonard Math

Registered Office

CBSW Pty Ltd
Level 2
49 Oxford Close
West Leederville WA 6007

Telephone: + 61 02 8003 6733

Email: investor@adavaleresources.com

Website: www.adavaleresources.com/

ASX Code

ADD

Share Registry*

Computershare Investor Services Pty Ltd
Level 3, 60 Carrington Street
Sydney, NSW 2000

Telephone: +61 02 8234 5000 (outside
Australia)

Facsimile: 1300 850 505 (within Australia)

Lawyers

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

Auditors*

HLB Mann Judd
Level 4
130 Stirling Street
Perth WA 6000

Lead Manager *

GBA Capital Pty Ltd
Level 2, 68 Pitt Street,
Sydney NSW 2000

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

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1. KEY OFFER INFORMATION

1.1 Indicative Timetable

Action	Date
Lodgement of Prospectus with the ASIC and ASX	7 June 2023
Opening Date	7 June 2023
Closing Date*	5:00pm WST on 14 June 2023
Issue of the New Options under the Convertible Note Options Offer and Broker Options Offer	15 June 2023
Expected date of Official Quotation of the New Options	19 June 2023

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

2. DETAILS OF THE OFFERS

2.1 Background

As announced on 15 March 2023, the Company has secured funding of up to \$2,000,000 (before costs) (**Capital Raising**) through the issue of unsecured convertible notes to new and existing sophisticated and professional investors (**Investors**) with a total of 200 convertible notes subscribed for, each with a face value of \$10,000 (**Convertible Notes**).

On 24 March 2023, the Company issued the first tranche of Convertible Notes comprising of 99 Convertible Notes each with a face value of \$10,000 to raise up to \$990,000 (**Tranche 1 Notes**). On 3 May 2023, the Company held a general meeting (**General Meeting**) whereby Shareholders approved the issue of the second tranche of Convertible Notes, comprising 101 Convertible Notes each with a face value of \$10,000 to raise up to \$1,010,000 (**Tranche 2 Notes**). The Tranche 2 Notes were issued on 19 May 2023.

In the same announcement, the Company advised that the Investors would be entitled to 32.49708 free attaching options for every \$1.00 subscribed for (**Convertible Note Options Offer**).

Further details in respect of the Capital Raising are set out in the ASX announcement released on 15 March 2023.

2.2 Convertible Note Options Offer

By this Prospectus, the Company makes the Convertible Note Options Offer, which invites Investors to apply for 32.49708 New Options for every \$1.00 subscribed for, with an exercise price of \$0.03 each and expiring on 31 December 2025 (**Convertible Note Options**). The maximum number of New Options to be issued under the Convertible Note Options Offer is 64,994,160.

The Convertible Note Options Offer is extended to the Investors only. Accordingly, Application Forms will only be provided by the Company to these persons. By completing a Convertible Note Options Offer Application Form, you will be taken to have declared that all details and statements made by you are complete and accurate and that you have personally received the Convertible Note Options Offer Application Form together with a complete and unaltered copy of the Prospectus.

No funds will be raised from the Convertible Note Options Offer as the Convertible Note Options are being issued for nil consideration, free attaching with the Convertible Notes under the Capital Raising.

All Convertible Note Options offered under the Convertible Note Options Offer will be issued on the terms set out in Section 4.2. All Shares issued on exercise of the Convertible Note Options will rank equally with the Shares on issue at the date of this Prospectus.

The Company will apply to have the Convertible Note Options quoted and tradeable on the ASX, subject to meeting ASX Listing Rule requirements.

2.3 Broker Options Offer

This Prospectus also includes an offer of 13,340,000 Broker Options to GBA Capital Pty Ltd (**GBA Capital**) with an exercise price of \$0.03 each and expiring on 31 December 2025 (**Broker Options**). GBA Capital were engaged by the Company

as the Lead Manager to the Capital Raising under a lead manager mandate (**Lead Manager Mandate**). The Company obtained Shareholder approval at the General Meeting for the issue of the Broker Options.

Under the Lead Manager Mandate, the Company agreed to pay/issue GBA Capital:

- (a) a Capital Raising fee of 6% (excluding GST) of the funds raised by GBA under the Capital Raising; and
- (b) 13,340,000 Broker Options with an exercise price of \$0.03 each and expiring on 31 December 2025.

Only the Lead Manager (or its nominee) may accept the Broker Options Offer, by using the relevant Application Form in relation to the Broker Options Offer. Accordingly, an Application Form will only be provided by the Company to GBA Capital. By completing a Broker Options Offer Application Form, you will be taken to have declared that all details and statements made by you are complete and accurate and that you have personally received the Broker Options Offer Application Form together with a complete and unaltered copy of the Prospectus.

No funds will be raised from the issue of Broker Options pursuant to the Broker Options Offer as the Broker Options are being issued for nil cash consideration in part consideration for services provided by GBA Capital to the Company.

All Broker Options offered under the Broker Options Offer will be issued on the terms set out in Section 4.2. All Shares issued on exercise of the Broker Options will rank equally with the Shares on issue at the date of this Prospectus.

The Company will apply to have the Broker Options issued under the Broker Options Offer quoted and tradeable on the ASX, subject to meeting ASX Listing Rule requirements.

2.4 Objective

The New Options are being offered pursuant to this Prospectus so that the Options (and any Shares issued on conversion of the Options) are freely tradable from their date of issue, having been issued with disclosure for the purposes of section 707 of the Corporations Act.

2.5 Minimum subscription

There is no minimum subscription for the Offers.

2.6 Applications for New Options

Applications for New Options can only be made by the Investors and the Lead Manager (or their nominee(s)) at the direction of the Company and must be made using the appropriate Application Form accompanying this Prospectus. Completed Application Forms must be mailed or delivered to the address set out on the Application Form by no later than the Closing Date. The New Options are being issued for nil cash consideration and therefore the Applicants are not required to pay any funds with their application.

Completed Application Forms must be mailed or delivered to the address set out on the Application Form by no later than the Closing Date. The Company reserves the right to close the Offers early.

2.7 ASX Listing

Application for Official Quotation of the New Options offered pursuant to this Prospectus will be made in accordance with the timetable set out in Section 1.1. If ASX does not grant Official Quotation of the 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 New Options offered under this Prospectus within the time prescribed under the Corporations Act.

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

2.8 Issue of New Options

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

Holding statements for New Options issued under the Offers will be mailed as soon as practicable after the issue of the New Options.

2.9 Overseas shareholders

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

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

New Zealand

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

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

United Kingdom

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

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

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

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

European Union

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

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

If you (or any person for whom you are acquiring the New Options) are in the European Union, you (and any such person) are a "qualified investor" (as defined in Article 2(e) of the Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union).

2.10 Enquiries

Any questions concerning the Offers should be directed to Leonard Math, Company Secretary, on +61 2 8003 6733 or by email to leonard@adavaleresources.com.

3. PURPOSE AND EFFECT OF THE OFFERS

3.1 Purpose of the offers

The purpose of the Convertible Note Options Offer is to offer Investors who participated in the Capital Raising 32.49708 free New Options for every \$1.00 subscribed for under the Capital Raising.

The purpose of the Broker Options Offer is to satisfy the Company's agreement to issue 13,340,000 New Options to the Lead Manager (or its nominee).

Subject to the New Options being granted Official Quotation on the ASX, holders of the New Options will be able to trade the New Options on the ASX and will be able to exercise the New Options and be issued Shares and trade those Shares without the need for additional disclosure and without any trading restrictions.

No funds will be raised from the Convertible Note Options Offer and the Broker Options Offer as the New Options are being issued for nil cash consideration. For this reason, the Offers have no effect on the Company's financial position. However, if all New Options are exercised into Shares, the Company will receive approximately \$2,350,025.

3.2 Effect of the Offers

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

- (a) to increase the number of Options currently on issue from 112,325,014 as at the date of this Prospectus to 190,659,174 Options; and
- (b) to allow holders of the New Options to trade the New Options and to enable the on-sale of any Shares issued on exercise of the New Options issued under the Prospectus.

3.3 Effect on capital structure

The effect of the Offers on the capital structure of the Company, assuming all New Options are issued, is set out below:

Shares

Shares	Number
Shares currently on issue	519,543,000
Shares offered under this Prospectus	Nil
Total Shares on issue on completion of the Offers¹	519,543,000

Notes:

1. The rights and liabilities attaching to the Shares are summarised in Section 4.1.

Options

	Number
Options currently on issue	

	Number
Unlisted Options exercisable at \$0.03 each on or before 22 September 2023	98,325,014
Unlisted Options exercisable at \$0.03 each on or before 3 August 2025	5,000,000
Unlisted Options exercisable at \$0.015 each on or before 13 January 2025	9,000,000
Total Options on issue as at the date of this Prospectus	112,325,014
New Options to be issued pursuant to the Offers exercisable at \$0.03 on or before 31 December 2025 ^{1, 2}	78,334,160
Total Options on issue after completion of the Offers	190,659,174

Notes:

1. The Company is seeking Official Quotation of the New Options.
2. The rights and liabilities attaching to the New Options are summarised in Section 4.2.

Convertible Notes

Convertible Notes	Number
Convertible Notes currently on issue	200
Convertible Notes offered under this Prospectus	Nil
Total Convertible Notes on issue on completion of the Offers¹	200

Notes:

1. Refer to the Notice of Meeting dated 31 March 2023 and the announcement dated 15 March 2023 for further information regarding the Convertible Notes on issue.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 631,868,014 Shares and on completion of the Offers (assuming all New Options are issued would be 710,202,174 Shares.

3.4 Financial Effect of the Offers

The expenses of the Offers are estimated to be approximately \$20,000. The Offers are not expected to have any material financial effect on the Company.

The expenses of the Offers will be met utilising the Company's existing cash reserves.

3.5 Details of substantial holders

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

4. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

4.1 Rights and liabilities attaching to Shares

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

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

(a) General meetings

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

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

(b) Voting rights

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

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

(c) Dividend rights

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

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

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

(d) **Winding-up**

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

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

(e) **Shareholder liability**

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

(f) **Transfer of shares**

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

(g) **Future increase in capital**

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

(h) **Variation of rights**

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

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

(i) **Alteration of constitution**

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

4.2 Terms of New Options

(a) **Entitlement**

Each New Option entitles the holder to subscribe for one (1) 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 \$0.03 (**Exercise Price**).

(c) **Expiry Date**

Each New Option will expire at 5 pm (WST) on 31 December 2025 (**Expiry Date**). A 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**

Not more than 14 days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of 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 an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the 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**

An 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) **Quoted**

The Company will apply for quotation of the New Options on ASX subject to meeting all requirements under the ASX Listing Rules.

(m) **Transferability**

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

5. RISK FACTORS

5.1 Introduction

The New Options offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for New Options pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Securities.

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

5.2 Company specific

Risk Category	Risk
Going Concern	The Company's Annual Financial Report for the year ended 30 June 2022 (Annual Report) and its half-year report for the period ended 31 December 2022 (Half-Year Report) include a note on the financial condition of the Company and the possible existence of a material uncertainty about the Company's ability to continue as a going concern. The Annual Report and the Half-Year Report were prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. The Group incurred a net loss from continuing operations of \$4,670,136 for the period ended 30 June 2022. The Group had a cash outflow from operating activities of \$4,258,370, while over the same period raised an amount of \$3,280,206 cash (net of cash costs) from placement of shares and payment of certain services by way of share issue. Notwithstanding the 'going concern' qualification included in the Annual Report and the Half-Year Report, the Directors believe that the Company will have sufficient funds to adequately meet the Company's current exploration commitments and short-term working capital requirements. However, it is highly likely that further funding will be required to meet the medium to long-term working capital costs of the Company.
Political Risks (Tanzania)	The Company's operations at Kabanga Jirani Nickel Project and Luhuma Nickel Project are both located in Tanzania and will be subject to the various political, economic and other risks and uncertainties associated with operating in that country. These risks and uncertainties include, but are not limited to, economic,

Risk Category	Risk
	social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents. The Company may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. Any future material adverse changes in government policies or legislation in Tanzania that affect foreign ownership, mineral exploration, development or mining activities, may affect the viability and profitability of the Company. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on exploration, development, mining production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use, local economic empowerment or similar policies, employment, contractor selection and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors adds uncertainties that cannot be accurately predicted and could have an adverse effect on the Company's operations or profitability. The legal systems in Tanzania may be less developed than in more established countries, which may result in risks such as political difficulties in obtaining effective legal redress in the courts whether in respect of a breach of law or regulation, or in an ownership dispute; a higher degree of discretion on the part of governmental agencies; the lack of political or administrative guidance on implementing applicable rules and regulations including, in particular, as regards to local taxation and property rights; inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions, or relative inexperience of the judiciary and courts in such matters. The commitment by local business people, governmental officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licences and agreements for the Company. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that joint ventures, licences, licence applications or other legal arrangements will not be

Risk Category	Risk
	adversely affected by the actions of the government authorities or others and the effectiveness and enforcement of such arrangements cannot be assured. There can be no guarantee that the Company will be able to generate a positive return for its shareholders if an event occurs in Tanzania which materially adversely affects the value of the Company, its assets and/or its business.
Environmental Health and Safety matters	The Company's mining operations will be subject to extensive Australian health and safety and environmental laws and regulations which could impose significant costs and burdens on the Company (the extent of which cannot be predicted). These laws and regulations provide for penalties and other liabilities for violation of such standards and if established, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. Permission to operate could be withdrawn temporarily where there is evidence of serious breaches of health and safety and environmental laws and regulations and even permanently in the case of extreme breaches. Environmental laws in Tanzania are strict. Every activity from exploration through to mining requires compliance with the regulations for environmental protections in section 81 of the Environmental Management Act, 2004. Under section 81, an Environmental Impact Assessment Report is a mandatory requirement, and the outcome of the assessment may be negative. It is expected that the Company's activities will have an impact on the environment, particularly at the time of advanced exploration and any mine development. It is in the interest of the Company to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws, in order to minimise damage to the environment and risk of liability. It is to be expected that there are certain risks inherent to the Company's activities, such as accidental spills, leakages or other unforeseen circumstances, which could subject the Company to environmental liability. Tanzanian environmental laws are dynamic and can change over time. The Company is unable to predict the effect of additional environmental laws and regulations that may be adopted in the future. Additional laws or regulations may materially increase the Company's cost of doing business or affect its operations. The cost and complexity of complying with any additional environmental laws and regulations may prevent the Company from being able to develop potentially viable mineral deposits.

Risk Category	Risk
Coronavirus (COVID-19)	While to date COVID-19 has not had any material impact on the Company's operations, supply chain disruptions resulting from the COVID-19 pandemic, labour shortages and measures implemented by governmental authorities around the world to limit the transmission of the virus (such as travel bans and quarantining) may, in addition to the general level of economic uncertainty caused by the COVID-19 pandemic, also adversely impact the Company's operations, financial position and prospects. The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. In compliance with its continuous disclosure obligations, the Company will continue to update the market regarding the impact of the coronavirus on its revenue channels and adverse impact on the Company.
Additional requirements for capital	The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.
Exploration Costs	The exploration costs of the Company are based on certain assumptions with respect to method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, as a result, the actual costs may materially differ from these estimates and underlying assumptions will be realised in practice which may materially and adversely affect the Company's viability.
Exploration success	The Company's tenements in both South Australia and in Tanzania are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of the Company's tenements, or any other licences that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

Risk Category	Risk
Operational Uncertainties	As with mining and processing operations they are subject to uncertainty with respect to (among other things) ore tonnes, mine grade, ground conditions, recovery and unanticipated metallurgical issues, mining performance, milling performance, regulatory changes, accidents and other unforeseen circumstances such as unplanned mechanical failure of plant or equipment, storms, floods, bushfires or other natural disasters. The occurrence of any of these circumstances could result in adverse production or financial performance.
Tenement applications and licence renewal	The Company cannot guarantee additional applications for tenements made by the Company will ultimately be granted, in whole or in part. Further the Company cannot guarantee that renewals of valid tenements will be granted on a timely basis, or at all. As announced by the Company on 14 September 2022, the Company has two Uranium Licences in South Australia, EL 5892 and EL 5893 (Licences) which are in a renewal process. The Company confirms that renewal for the Licences has been accepted and approved by the Department and the Company is awaiting receipt of the renewal confirmations. As at the date of this Prospectus, all Tenements and licences held in Tanzania and South Australia are currently in good standing.
“Luhuma” Farm-in licences - Tanzania	The Company entered into a Farm-in Agreement to earn up to 100% of the Luhuma Nickel Project in Tanzania. The Company currently has the exclusive right to explore and evaluate the licenses for a period of 12 months. The licenses are subject to various milestone payments, and ongoing expenditure requirements. As at the date of this Prospectus, the Company has earned 65% interest in the project. The licences are at an early stage of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. The required ongoing expenditures may not result in exploration success from the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited. The Company is not the registered owner of the licenses and therefore the Company's ability to achieve its objectives in respect of the licenses is dependent upon it and the registered holder of the licenses complying with their obligations under the relevant earn-in agreements giving rise to the Company's interest, and on the registered holder complying with the terms and conditions of the licenses and any other applicable legislation. Any failure to comply with these obligations may result in the Company losing its interest in those licenses, which may have a material adverse effect on the Company's operations and the performance and value of the

Risk Category	Risk
	Shares. The Company has no current reason to believe that the registered owners of the Tenements will not meet and satisfy their respective obligations under the relevant agreements, the tenement conditions and other applicable legislation. There is also a risk of financial failure or default under the joint venture arrangements by a participant in any joint venture to which the Company is, or may become, a party. Any withdrawal by a joint venture party or any issues with their ability to perform the obligations due under the joint venture arrangements could have a material adverse impact on the financial position of the Company. There is also the risk of disputes arising with the Company's joint venture partners, the resolution of which could lead to delays in the Company's proposed development activities or financial loss.

5.3 Industry specific

Risk Category	Risk
Environmental	The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations. The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive. Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals

Risk Category	Risk
	can result in the delay to anticipated exploration programs or mining activities.
Climate Risk	There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include: (a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and (b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.
Mine development	Possible future development of a mining operation at any of the Company's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services. If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No

Risk Category	Risk
	assurance can be given that the Company will achieve commercial viability through the development or mining of its project. The risks associated with the development of a mine will be considered in full should the projects reach that stage and will be managed with ongoing consideration of stakeholder interests.
Occupational health and safety	The Company is committed to providing a healthy and safe environment for its personnel, contractors and visitors. Mining activities have inherent risks and hazards. The Company provides appropriate instructions, equipment, preventative measures, first aid information and training to all stakeholders through its occupational, health and safety management systems.
Operational	The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, insufficient or unreliable infrastructure such as power, water and transport, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment. In the event that any of these potential risks eventuate, the Company's operational and financial performance may be adversely affected. No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.
Safety	Safety is a fundamental risk for any exploration and production company in relation to personal injury, damage to property and equipment and other losses. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage or destruction of property, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.
Commodity price volatility and exchange rate	If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and

Risk Category	Risk
	base metals, technological advancements, forward selling activities and other macro-economic factors.
Access	The Company's access to the tenements may be affected by landholder and pastoralist approvals, native title rights and/or the terms of native title agreements. While the Company intends to do those things necessary to minimise these risks, it cannot guarantee that the access it has to the tenements in which it has an interest will remain unfettered in the future.

5.4 General risks

Risk Category	Risk
Economic	General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.
Market Conditions	Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as: (a) general economic outlook; (b) introduction of tax reform or other new legislation; (c) interest rates and inflation rates; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; and (f) terrorism or other hostilities. The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.
Competition Risk	The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

Risk Category	Risk
Litigation Risks	The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.
Dividends	Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.
Taxation	The acquisition and disposal of Options will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring New Options from a taxation viewpoint and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for New Options under this Prospectus.
Reliance on key personnel	The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

5.5 Speculative investment

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

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

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

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

6. ADDITIONAL INFORMATION

6.1 Litigation

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

6.2 Continuous disclosure obligations

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

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

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

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

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

Date	Description of Announcement
6 June 2023	Investor Webinar – Kabanga Jirani Nickel Project Drilling
6 June 2023	Massive Nickel Sulphides Intersected at Kabanga Jirani
5 June 2023	Trading Halt

Date	Description of Announcement
25 May 2023	Cleansing Notice
25 May 2023	Appendix 2A
25 May 2023	Appendix 3G
22 May 2023	Progress Report – Geologically Significant Nickel Sulphide Licence Granted
9 May 2023	Company Presentation - Investor Presentation
3 May 2023	Results of Meeting
1 May 2023	Progress Report - Drilling Program Recommences - Kabanga Jirani Nickel Project
28 April 2023	Third Quarter Activities Report - Quarterly Activities and Cashflow Report
4 April 2023	Progress Report - Nickel Sulphide Drill Targets and 15km Soil Anomaly Defined
31 March 2023	Proxy Form - Notice of General Meeting/Proxy Form
28 March 2023	Change of Directors Interest Notice - Change of Director's Interest Notice
24 March 2023	Appendix 3G (Notification of Unquoted Equity Securities) - Notification regarding unquoted securities - ADD
21 March 2023	Change of Directors Interest Notice - Change of Director's Interest Notice
15 March 2023	Issued Capital - Other - Financing Secured to Progress Kabanga Jirani Nickel Project
15 March 2023	Appendix 3B (Proposed issue of securities) - Proposed issue of securities - ADD
15 March 2023	Appendix 3B (Proposed issue of securities) - Proposed issue of securities - ADD
15 March 2023	Half Year Audit Review - Half Year Accounts
13 March 2023	Trading Halt
13 March 2023	Company Presentation - Investor Presentation
3 March 2023	Progress Report - Initial Lake Surprise Drilling Project Yield Results
6 February 2023	Company Presentation - Investor Presentation - Cape Town
2 February 2023	Appendix 2A (Application for Quotation of Securities) - Application for quotation of securities - ADD
2 February 2023	Cleansing Notice
1 February 2023	Progress Report - Drilling Underway at Lake Surprise Uranium Project
30 January 2023	Second Quarter Activities Report - Quarterly Activities and Cashflow Report
27 January 2023	Progress Report - Nickel Sulphide Host Rocks Intercepted at Kabanga Jirani
24 January 2023	Progress Report - Strategic Expansion of Kabanga Jirani Nickel Project

Date	Description of Announcement
4 January 2023	Appendix 3H (Notification of cessation of securities) [from 05/06/2021] - Notification of cessation of securities - ADD
23 December 2022	Appendix 3H (Notification of cessation of securities) [from 05/06/2021] - Notification of cessation of securities - ADD
7 December 2022	Progress Report - Exploration Update - Kabanga Jirani Nickel Project
29 November 2022	Results of Meeting - Annual General Meeting Results
24 November 2022	Company Presentation - RIU Resurgence Conference Presentation
23 November 2022	Progress Report - Approval Received for Drilling Lake Surprise Uranium Project
7 November 2022	Change of Directors Interest Notice - Change of Director's Interest Notice x 3 (DNR, GSP, JDH)
3 November 2022	Appendix 3G (Notification of Unquoted Equity Securities) - Notification regarding unquoted securities - ADD
31 October 2022	First Quarter Activities Report - Quarterly Activities and Cashflow Report
28 October 2022	Progress Report - Diamond Drilling Underway at Kabanga Jirani Nickel Project
28 October 2022	Notice Of Annual General Meeting - Notice of Annual General Meeting/Proxy Form
27 October 2022	Corporate Governance - Corporate Governance Statement and Appendix 4G

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

The announcements are also available through the Company's website <https://www.adavaleresources.com/>.

6.3 Market price of Shares

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

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

	(\$)	Date
Highest	\$0.027	6 June 2023
Lowest	\$0.011	27 March 2023
Last	\$0.024	7 June 2023

As the issue of the New Options under this Prospectus represents the first time the Company will have quoted Options on issue there are no previous closing market sale prices preceding the date of lodgement of this Prospectus that can

be disclosed.

6.4 Interests of Directors

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

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

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

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

Security holdings

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

Director	Shares	Performance Rights	Options
David Noel Riekie	6,040,790 ¹	3,700,000 ¹	3,142,780 ¹
Grant Stanley Pierce	4,951,733 ²	3,200,000 ²	2,459,474 ²
John Desmond Hicks	4,636,287 ³	3,200,000 ³	3,004,113 ³

Notes:

1. Mr Riekie holds the following securities directly and indirectly through Wilhaja Pty Ltd as Trustee for Riekie Family A/C (a company which Mr Riekie is a director and beneficiary), Riekie Superannuation Pty Ltd <Riekie SF A/C> (a fund which Mr Riekie is a beneficiary) and Equity Plan Service Pty Ltd (a trust which Mr Riekie is a beneficiary):
 - (a) Unlisted Options: 1,142,780 exercisable at \$0.03 each on or before 22 September 2023;
 - (b) Unlisted Options: 2,000,000 exercisable at \$0.15 each on or before 13 January 2025;
 - (c) Performance Rights: 1,500,000 Performance Rights expiring 30 June 2023; and
 - (d) Performance Rights: 2,200,000 Performance Rights expiring 31 December 2023.
2. Mr Pierce holds the following securities indirectly through Equity Plan Services Pty Ltd (a trust which Mr Pierce is a beneficiary) and directly:
 - (a) Unlisted Options: 459,474 exercisable at \$0.03 each on or before 22 September 2023;
 - (b) Unlisted Options: 2,000,000 exercisable at \$0.15 each on or before 13 January 2025;
 - (c) Performance Rights: 1,000,000 Performance Rights expiring 30 June 2023; and

- (d) Performance Rights: 2,200,000 Performance Rights expiring 31 December 2023.
- 3. Mr Hicks holds the following securities indirectly through Nambour Valley Pty Ltd (a company in which Mr Hicks is a director) and Equity Plan Services Pty Ltd (a trust which Mr Hicks is a beneficiary):
 - (a) Unlisted Options: 1,004,113 exercisable at \$0.03 each on or before 22 September 2023;
 - (b) Unlisted Options: 2,000,000 exercisable at \$0.15 each on or before 13 January 2025;
 - (c) Performance Rights: 1,000,000 Performance Rights expiring 30 June 2023; and
 - (d) Performance Rights: 2,200,000 Performance Rights expiring 31 December 2023.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$300,000 per annum.

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

The table below shows the total annual remuneration paid to both executive and non-executive directors and proposed directors in each of the past two financial years and the proposed remuneration for the current financial year.

Director ⁵	Proposed remuneration for FY23 ⁶	Remuneration for FY22	Remuneration for FY21
David Noel Riekie	\$150,000	\$144,637 ¹	\$44,621 ⁴
Grant Stanley Pierce	\$72,000	\$99,500 ²	\$44,621 ⁴
John Desmond Hicks	\$48,000	\$86,919 ³	\$44,621 ⁴

Notes:

1. Total remuneration consists of:
 - (a) Salary and fees: \$90,387; and
 - (b) Incentives: \$54,250 comprising 15,000,000 Performance Rights and 9,000,000 Unlisted Options were issued to Directors and Executives during the financial year.
2. Total remuneration consists of:
 - (a) Salary and fees: \$52,637;
 - (b) Superannuation: \$1,363; and
 - (c) Incentives: \$45,500 comprising 15,000,000 Performance Rights and 9,000,000 Unlisted Options were issued to Directors and Executives during the financial year.
3. Total remuneration consists of:
 - (a) Salary and fees: \$41,419; and

- (b) Incentives: \$45,500 comprising 15,000,000 Performance Rights and 9,000,000 Unlisted Options were issued to Directors and Executives during the financial year.
- 4. Total remuneration for each Director in FY2021 consists of:
 - (a) Salary and fees: \$30,581; and
 - (b) Incentives: \$14,040 comprising 540,000 Performance Rights were issued to Directors.
- 5. Mr David Riekie was appointed as Non-executive Director on 28 July 2021 and Executive Director from 1 January 2022. Mr John Hicks was appointed as Non-Executive Director on 7 July 2021.
- 6. The proposed remuneration for FY23 comprises solely salary payments.

6.5 Interests of experts and advisers

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

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

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

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

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

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

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$5,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$64,344 (excluding GST and disbursements) for legal services provided to the Company/not received any other fees for any other services.

6.6 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the

Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

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

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

6.7 Expenses of the offers

In the event that all Entitlements are accepted, the total expenses of the Offers are estimated to be approximately \$20,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	9,650
Legal fees	5,000
Miscellaneous	2,144
Total	20,000

7. DIRECTORS' AUTHORISATION

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

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



David Riekie
Executive Director
For and on behalf of
Adavale Resources Limited

8. GLOSSARY

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

Application Form means an application form either attached to or accompanying this Prospectus, being either a Convertible Note Options Offer Application Form or a Broker Options Offer Application Form.

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 CHESS.

Broker Options means the New Options to be offered to the Lead Manager, with an exercise price of \$0.03 each and expiring on or before 31 December 2025.

Broker Options Offer Application Form means an Application Form for Broker Options.

Broker Options Offer means the offer of New Options to the Lead Manager as set out in Section 2.3.

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.

Capital Raising means the capital raising undertaken by the Company, details of which are set out in the Company's announcement dated 15 March 2023.

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

Company means Adavale Resources Limited (ACN 008 719 015).

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

Convertible Note Options means the New Options to be offered to the Investors, with an exercise price of \$0.03 each and expiring on or before 31 December 2025.

Convertible Note Options Offer Application Form means an Application Form for Convertible Note Options.

Convertible Note Options Offer means the offer of New Options to the Investors as set out in Section 2.2.

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

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

Investors has the meaning given in Section 2.1.

Lead Manager means GBA Capital Pty Ltd (ACN 643 039 123).

New Option means an Option issued on the terms set out in Section 4.2 and includes the Convertible Note Options and/or the Broker Options as the context requires.

Offers means the Convertible Note Options Offer and the Broker Options Offer the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Option holder means a holder of an Option.

Prospectus means this prospectus.

Section means a section of this Prospectus.

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

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

Shareholder means a holder of a Share.

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