

**AURUM RESOURCES LIMITED**  
**ACN 650 477 286**

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**LOYALTY OPTIONS PROSPECTUS**

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For a pro-rata non-renounceable entitlement issue of one (1) Option (**Loyalty Option**) for every five (5) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.01 per Loyalty Option to raise approximately \$73,000 (before expenses) (based on the number of Shares on issue as at the date of this Prospectus) (**Offer**).

**IMPORTANT NOTICE**

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

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

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## IMPORTANT NOTICE

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This Prospectus is dated 4 October 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 Loyalty 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 Loyalty Options offered by this Prospectus should be considered as highly speculative.

Applications for Loyalty 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 Loyalty Options 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 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 Loyalty Options 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 Loyalty Options will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

For further information on overseas Shareholders please refer to Section 2.9.

### 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 Loyalty Options offered under this Prospectus.

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

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

Please refer to Section 6.2 for further details.

## Target Market Determination

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

## Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at [www.aurumres.com.au](http://www.aurumres.com.au). If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an 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 8 6559 1792 office hours or by emailing the Company Secretary at [contact@aurumres.com.au](mailto:contact@aurumres.com.au).

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

## Company Website

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

## Financial forecasts

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

that it is not possible to prepare a reliable best estimate forecast or projection.

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

The Company will apply to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS 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 Loyalty 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 CHESS 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* (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 Loyalty Options, the Company may not be able to accept or process your application.

## Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offer or how to accept the Offer please call the Company Secretary on +61 8 6559 1792.

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## CORPORATE DIRECTORY

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### **Directors**

Troy Flannery  
*Non-Executive Chairman*

Debra Fullarton  
*Non-Executive Director*

Mauro Piccini  
*Non-Executive Director*

### **Company Secretary**

Mauro Piccini

### **Registered Office**

Suite 11, Level 2  
23 Railway Road  
SUBIACO WA 6008

Telephone: +61 8 6559 1792

Email: [contact@aurumres.com.au](mailto:contact@aurumres.com.au)  
Website: [www.aurumres.com.au](http://www.aurumres.com.au)

### **Auditor\***

RSM Australia Partners  
Level 32  
2 The Esplanade  
PERTH WA 6008

### **Share Registry\***

Automatic Share Registry  
Level 5  
191 St Georges Terrace  
PERTH WA 6000

Telephone: 1300 288 664

Email: [hello@automic.com.au](mailto:hello@automic.com.au)  
Website: [www.automic.com.au](http://www.automic.com.au)

### **Legal Advisers**

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

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

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## 1. KEY OFFER INFORMATION

### 1.1 Timetable\*

|                                                                                                       |                                                 |
|-------------------------------------------------------------------------------------------------------|-------------------------------------------------|
| Lodgement of Prospectus with the ASIC and ASX and Release of Appendix 3B                              | 4 October 2023                                  |
| Ex date                                                                                               | 9 October 2023                                  |
| Record Date for determining Entitlements                                                              | 10 October 2023                                 |
| Offer opening date, Prospectus sent out to Shareholders and Company announces this has been completed | 13 October 2023                                 |
| Last day to extend the Closing Date of the Offer (prior to noon AEST)                                 | 19 October 2023                                 |
| Closing Date for Offer as at 5:00pm**                                                                 | 24 October 2023                                 |
| Loyalty Options quoted on a deferred settlement basis                                                 | 25 October 2023                                 |
| ASX notified of under subscriptions                                                                   | 26 October 2023                                 |
| Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Loyalty Options        | 31 October 2023                                 |
| Quotation of Loyalty Options issued under the Offer***                                                | 31 October 2023                                 |
| Closing Date of Shortfall Offer                                                                       | Within 3 months from the date of the Prospectus |

**Note:**

\* These dates are indicative only and are subject to change.

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

\*\*\* Quotation of the Loyalty Options is subject to the Company satisfying the quotation requirements set out in Chapter 2 of the ASX Listing Rules.

### 1.2 Key statistics of the Offer

|                                                             | Full Subscription <sup>1</sup> |
|-------------------------------------------------------------|--------------------------------|
| Offer Price per Loyalty Option under the Offer              | \$0.01                         |
| Option entitlement ratio (based on existing Shares held)    | 1:5                            |
| Shares currently on issue <sup>2</sup>                      | 36,500,000                     |
| Options currently on issue                                  | 3,800,000                      |
| Loyalty Options to be issued under the Offer <sup>3,4</sup> | 7,300,000                      |
| Gross proceeds of the issue of Options                      | \$73,000                       |
| Options on issue post-Offer                                 | 11,100,000                     |

**Notes:**

1. Assuming no additional Shares are issued, including by exercise of Options, prior to the Record Date.
2. Including 6,500,000 Shares to be issued under the Placement. Refer to Section 3.3 for further information.

3. Assuming the full subscription of \$73,000 is achieved under the Loyalty Option Offer.
4. Refer to Section 4.2 for the terms of the Loyalty Options.

### 1.3 Key Risk Factors

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

### 1.4 Directors' Interests in Securities

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

| Director                   | Shares | Options | Loyalty Options Entitlement | \$    | Pre-Offer Percentage (%) |               | Post-Offer Percentage (%) |               |
|----------------------------|--------|---------|-----------------------------|-------|--------------------------|---------------|---------------------------|---------------|
|                            |        |         |                             |       | Undiluted                | Fully Diluted | Undiluted                 | Fully Diluted |
| Troy Flannery <sup>1</sup> | 40,000 | Nil     | 8,000                       | \$80  | 0.11%                    | 1.43%         | 0.11%                     | 0.1%          |
| Mauro Piccini              | 50,000 | Nil     | 10,000                      | \$100 | 0.14%                    | 1.79%         | 0.14%                     | 0.13%         |
| Debra Fullarton            | Nil    | Nil     | Nil                         | Nil   | Nil                      | Nil           | Nil                       | Nil           |

**Notes:**

1. Held indirectly through Jack Rory Pty Ltd (of which Mr Flannery is a Director).

The Board recommends all Shareholders take up their Entitlements. The Board advises that Mr Flannery and Mr Piccini intend to take up their full Entitlements.

### 1.5 Details of Substantial Holders

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

| Shareholder                                 | Shares    | Options | Loyalty Options Entitlement | \$       | Pre-Offer Percentage (%) |               | Post-Offer Percentage (%) |               |
|---------------------------------------------|-----------|---------|-----------------------------|----------|--------------------------|---------------|---------------------------|---------------|
|                                             |           |         |                             |          | Undiluted                | Fully Diluted | Undiluted                 | Fully Diluted |
| Aldoro Resources Limited                    | 5,000,000 | Nil     | 1,000,000                   | \$10,000 | 13.70%                   | 12.72%        | 13.70%                    | 12.61%        |
| The Pioneer Development Fund (Aust) Limited | 3,500,000 | Nil     | 700,000                     | \$7,000  | 9.59%                    | 8.91%         | 9.59%                     | 8.82%         |

| Shareholder              | Shares    | Options | Loyalty Options Entitlement | \$      | Pre-Offer Percentage (%) |               | Post-Offer Percentage (%) |               |
|--------------------------|-----------|---------|-----------------------------|---------|--------------------------|---------------|---------------------------|---------------|
|                          |           |         |                             |         | Undiluted                | Fully Diluted | Undiluted                 | Fully Diluted |
| Tell Corporation Pty Ltd | 2,250,000 | Nil     | 450,000                     | \$4,500 | 6.16%                    | 5.58%         | 6.16%                     | 5.67%         |

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer. However, the number of Options held by the substantial holders and their fully diluted percentage interest would each increase as a result.

## 1.6 Lead Manager

Xcel Capital Pty Ltd (AFSL 51738) (**Lead Manager** or **Xcel**) has been appointed as the lead manager of the Offer. Terms of the lead manager mandate and total fees payable are set out in Section 6.4.1 below.

## 1.7 Effect on Control

Based on current shareholding and Entitlements of Shareholders (including substantial Shareholders) as at the date of this Prospectus, regardless of the amount raised under the Offer, the Offer will not have any material impact on control of the Company because there are no Shares being offered under the Offer.

Further there will be no immediate change to any Shareholder's voting power as a result of the issue of the Loyalty Options. However, where Loyalty Options are exercised into Shares, the voting power of the Shareholders who exercise the Loyalty Options will increase. The likelihood of Loyalty Options being exercised is dependent on the price of Shares from time to time until the Loyalty Options expire.

A substantial holder noted in Section 1.5, would be prevented from exercising the Loyalty Options if doing so would be in contravention of section 606 of the Corporations Act.

## 1.8 Potential dilution on non-participating Shareholders

In addition to potential control impacts set out in Section 1.7, Shareholders should note that no immediate dilution will occur as a result of the issue of Loyalty Options under this Prospectus. However subsequent exercise of any or all of the Loyalty Options will result in dilution. Assuming all Loyalty Options offered pursuant to this Prospectus are issued and exercised into Shares, Shareholders who do not participate in the Offer, are likely to be diluted by an aggregate of approximately 16.66% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus).

For illustrative purposes, the table below shows how the exercise of Loyalty Options may impact the holdings of Shareholders:

| Holder        | Holding as at Record date | % at Record Date | Entitlements under the Offer | Holdings if Offer not taken Up | % post Offer |
|---------------|---------------------------|------------------|------------------------------|--------------------------------|--------------|
| Shareholder 1 | 10,000,000                | 27.40%           | 2,000,000                    | 10,000,000                     | 22.83%       |

| Holder        | Holding as at Record date | % at Record Date | Entitlements under the Offer | Holdings if Offer not taken Up | % post Offer |
|---------------|---------------------------|------------------|------------------------------|--------------------------------|--------------|
| Shareholder 2 | 5,000,000                 | 13.70%           | 1,000,000                    | 5,000,000                      | 11.42%       |
| Shareholder 3 | 1,500,000                 | 4.11%            | 300,000                      | 1,500,000                      | 3.42%        |
| Shareholder 4 | 400,000                   | 1.10%            | 80,000                       | 400,000                        | 0.91%        |
| Shareholder 5 | 50,000                    | 0.14%            | 10,000                       | 50,000                         | 0.11%        |

**Notes:**

1. This is based on a share capital of 36,500,000 Shares and assumes no Options currently on issue (other than the Loyalty Options) are exercised.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

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## 2. DETAILS OF THE OFFER

### 2.1 The Offer

The purpose of the Offer is to recognise the invaluable on-going support from the Company's Shareholders and to provide an opportunity for Shareholders to participate in the development of the Company. In addition, the Offer will provide the Company with a potential source of additional capital if the Loyalty Options are exercised in the future.

The Offer is being made as a pro-rata non-renounceable entitlement offer to acquire one (1) Loyalty Option for every five (5) Shares held by Shareholders registered at the Record Date, at an issue price of \$0.01 per Loyalty Option.

Fractional entitlements will be rounded up to the nearest whole number. All references to numbers of Loyalty Options to be issued pursuant to this Prospectus are expressed subject to rounding.

Based on the capital structure of the Company as at the date of this Prospectus, approximately 7,300,000 Loyalty Options will be issued pursuant to the Loyalty Options Offer to raise approximately \$73,000 (before costs).

As at the date of this Prospectus the Company has 3,800,000 Options on issue that may be exercised prior to the Record Date in order to participate in the Offer. Please refer to Section 3.3 for information on the exercise price and expiry date of the Options on issue.

The Loyalty Options offered under this Prospectus are exercisable at \$0.225 on or before 5pm (WST) on 21 October 2026. Full terms and conditions of the Loyalty Options are set out in Section 4.2 of this Prospectus.

All of the Shares issued upon the future exercise of the Loyalty Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the Loyalty Offer and the intended use of funds raised are set out in Section 3.1.

### 2.2 Acceptance of the Offer

#### (a) What Eligible Shareholders may do

The number of Loyalty Options to which Eligible Shareholders are entitled is shown on the personalised Entitlement and Acceptance Form which can be accessed at <https://investor.automic.com.au/#/home>. Eligible Shareholders may choose any of the options set out in the table below.

| Option                          | Key Considerations                                                                                                                                                                                                                                                                                                                                                                                                              | For more information  |
|---------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Take up all of your Entitlement | <ul style="list-style-type: none"><li>Should you wish to accept all of your Entitlement, then your application for Loyalty Options under this Prospectus must be made by following the instructions on the personalised Entitlement and Acceptance Form which can be accessed at <a href="https://investor.automic.com.au/#/home">https://investor.automic.com.au/#/home</a>. Please read the instructions carefully.</li></ul> | Sections 2.3 and 2.4. |

| Option                                                                         | Key Considerations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | For more information       |
|--------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
|                                                                                | <ul style="list-style-type: none"> <li>Payment can be made by the methods set out in Section 2.3. As set out in Section 2.3, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                            |
| <b>Take up all of your Entitlement and also apply for Shortfall Options</b>    | <ul style="list-style-type: none"> <li>Should you wish to accept all of your Entitlement and apply for Shortfall Options, then your application for your Entitlement and additional Shortfall Options under this Prospectus must be made by following the instructions on your personalised Entitlement and Acceptance Form which can be accessed at <a href="https://investor.automic.com.au/#/home">https://investor.automic.com.au/#/home</a>. Please read the instructions carefully.</li> <li>Payment can be made by the methods set out in Section 2.3. Payment should be made for your Entitlement and the amount of the Shortfall for which you are applying.</li> <li>If you apply for Shortfall Options beyond your Entitlement you are deemed to have accepted your Entitlement in full. You should note that the allocation of Shortfall Options is at the Company's absolute discretion as per the allocation policy set out in Section 2.6. Accordingly, your application for additional Shortfall Options may be scaled-back.</li> <li>The Company's decision on the number of Shortfall Options to be allocated to you will be final.</li> </ul> | Sections 2.3, 2.4 and 2.6. |
| <b>Take up a proportion of your Entitlement and allow the balance to lapse</b> | <ul style="list-style-type: none"> <li>If you wish to take up only part of your Entitlement and allow the balance to lapse, your application must be made by completing the personalised Entitlement and Acceptance Form which can be accessed at <a href="https://investor.automic.com.au/#/home">https://investor.automic.com.au/#/home</a> for the number of Options you wish to take up and making payment using the methods set out in Section 2.3 below. As set out in Section 2.3, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Sections 2.3 and 2.4.      |
| <b>Allow all or part of your Entitlement to lapse</b>                          | <ul style="list-style-type: none"> <li>If you do not wish to accept any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement by the Closing Date, the Offer to you will lapse.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | N/A                        |

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

## 2.3 Payment options

### (a) By BPAY®

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

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

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

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

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

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

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

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and

- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Options (if any) under the Shortfall Offer, to the extent of the excess.

(c) **By Cheque**

Payment by cheque or cash will not be accepted.

## **2.4 Implications of an acceptance**

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

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

## **2.5 Minimum subscription**

There is no minimum subscription.

## **2.6 Shortfall Offer**

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer (**Shortfall Options**).

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Shortfall Option to be issued under the Shortfall Offer shall be \$0.01 being the price at which Loyalty Options have been offered under the Offer.

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

No Shortfall Options will be issued to a party under the Shortfall Offer if the effect would be to increase that party's voting power in the Company to an amount greater than 19.99%.

All decisions regarding the allocation of Shortfall Options will be made by the Directors and will be final and binding on all applicants under the Shortfall Offer; as such there is no guarantee that any Shortfall Options applied for will be issued.

The Company will have no liability to any Applicant who receives less than the number of Shortfall Options they applied for under the Shortfall Offer. If the Company scales back any applications for Shortfall Options under the Shortfall Offer any Application monies will be returned (without interest) as soon as practicable.

## **2.7 ASX listing**

Application for Official Quotation of the Loyalty Options will be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the Loyalty Options or if the Company does not meet the minimum requirements to be granted Official Quotation of the Loyalty Options, then the Loyalty Options will still be issued, however will not be quoted on ASX.

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

## **2.8 Issue of Loyalty Options**

The Loyalty Options issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at Section 1.1.

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

Pending the issue of the Loyalty Options 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 Loyalty Options issued under the Offer will be mailed as soon as practicable after the issue of the Loyalty Options and for Shortfall Options issued under the Shortfall Offer as soon as practicable after their issue.

## **2.9 Overseas shareholders**

The 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 Loyalty Options 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 Loyalty Options will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

### **New Zealand**

The Loyalty Options are not being offered to the public within New Zealand other than to Eligible 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.

***Nominees and custodians***

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

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### 3. PURPOSE AND EFFECT OF THE OFFER

#### 3.1 The Offer

The purpose of the Offer is to reward Shareholders for supporting the Company and to provide the Company with a potential source of additional capital if Loyalty Options are exercised and to seek to satisfy the conditions to listing the Loyalty Options as a second class of listed securities.

A nominal amount of funds will be raised through the issue of the Loyalty Options, being \$73,000 (before costs).

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

| Item | Proceeds of the Offer              | Full Subscription (\$) | %             |
|------|------------------------------------|------------------------|---------------|
| 1.   | Working capital                    | \$29,229               | 40.04%        |
| 2.   | Expenses of the Offer <sup>1</sup> | \$43,771               | 59.96%        |
|      | <b>Total</b>                       | <b>\$73,000</b>        | <b>100.0%</b> |

**Notes:**

1. Refer to Section 6.8 for further details relating to the estimated expenses of the Offer.

There is no certainty that any Loyalty Options will be exercised and the proportion exercised will depend on the Share price relative to the exercise price during the exercise period.

It is currently intended that any funds raised by the exercise of the Loyalty Options under the Offer will be used towards the continued development of the Company's existing projects and working capital. Working capital includes but is not limited to corporate administration and operating costs.

The application of future funds raised on exercise of the Loyalty Options will also depend on when the Loyalty Options are exercised and the status of the Company's existing projects and requirements at the relevant time.

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

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

#### 3.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted, and no Shares are issued including on exercise or conversion of other Options on issue prior to the Record Date, will be to:

- (a) increase the cash reserves by approximately \$29,229 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer; and

- (b) increase the number of Options on issue from 3,800,000 as at the date of this Prospectus to 11,100,000 Options.

### 3.3 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted, and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, is set out below.

#### Shares<sup>1</sup>

|                                                            | Number            |
|------------------------------------------------------------|-------------------|
| Shares currently on issue <sup>1,2,3</sup>                 | 36,500,000        |
| Shares offered pursuant to the Offer                       | Nil               |
| <b>Total Shares on issue after completion of the Offer</b> | <b>36,500,000</b> |

#### Notes:

1. Refer to Section 4.1 for the rights and liabilities attaching to Shares.
2. 5,000,000 Shares are subject to escrow until 29 October 2023.
3. As announced on 26 September 2023, the Company completed a placement and will issue 6,500,000 Shares (**Placement Shares**) to professional and sophisticated investor to raise \$715,000 (**Placement**). The Company will issue the Placement Shares on 5 October 2023, being the day after this Prospectus.

#### Options

|                                                                 | Number            |
|-----------------------------------------------------------------|-------------------|
| Options currently on issue <sup>1</sup>                         | 3,800,000         |
| Loyalty Options to be issued pursuant to the Offer <sup>2</sup> | 7,300,000         |
| <b>Total Options on issue after completion of the Offer</b>     | <b>11,100,000</b> |

#### Notes:

1. Unlisted Options exercisable at \$0.225 on or before 5:00pm (WST) on 21 October 2026.
2. Refer to Section 4.2 for the terms of the Loyalty Options.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 40,300,000 Shares and on completion of the Offer (assuming all Entitlements are accepted, and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date) would be 47,600,000 Shares.

### 3.4 Pro-forma balance sheet

The audited balance sheet as at 30 June 2023 and the unaudited pro-forma balance sheet as at 30 June 2023 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

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

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and

liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

|                                  | Aurum<br>Resources<br>(Audited)<br>30/06/2023<br>\$ | Pro-forma<br>Adjustments<br>(a), (b)<br>\$ | Total Pro-Forma<br>After Issue<br>\$ |
|----------------------------------|-----------------------------------------------------|--------------------------------------------|--------------------------------------|
| <b>CURRENT ASSETS</b>            |                                                     |                                            |                                      |
| Cash and cash equivalents        | 2,186,465                                           | 29,229                                     | 2,215,694                            |
| Trade and other receivables      | 21,064                                              | -                                          | 21,064                               |
| Prepayments                      | 10,467                                              | -                                          | 10,467                               |
| <b>TOTAL CURRENT ASSETS</b>      | <b>2,217,996</b>                                    | <b>29,229</b>                              | <b>2,247,225</b>                     |
|                                  |                                                     |                                            |                                      |
| <b>NON-CURRENT ASSETS</b>        |                                                     |                                            |                                      |
| Property, plant and equipment    | 3,383                                               | -                                          | 3,383                                |
| <b>TOTAL NON-CURRENT ASSETS</b>  | <b>3,383</b>                                        | <b>-</b>                                   | <b>3,383</b>                         |
|                                  |                                                     |                                            |                                      |
| <b>TOTAL ASSETS</b>              | <b>2,221,379</b>                                    | <b>29,229</b>                              | <b>2,250,608</b>                     |
|                                  |                                                     |                                            |                                      |
| <b>CURRENT LIABILITIES</b>       |                                                     |                                            |                                      |
| Trade and other payables         | 60,764                                              | -                                          | 60,764                               |
| <b>TOTAL CURRENT LIABILITIES</b> | <b>60,764</b>                                       | <b>-</b>                                   | <b>60,764</b>                        |
|                                  |                                                     |                                            |                                      |
| <b>TOTAL LIABILITIES</b>         | <b>60,764</b>                                       | <b>-</b>                                   | <b>60,764</b>                        |
|                                  |                                                     |                                            |                                      |
| <b>NET ASSETS</b>                | <b>2,160,615</b>                                    | <b>29,229</b>                              | <b>2,189,844</b>                     |
|                                  |                                                     |                                            |                                      |
| <b>EQUITY</b>                    |                                                     |                                            |                                      |
| Issued capital                   | 5,394,506                                           | 73,000                                     | 5,467,506                            |
| Reserves                         | 308,812                                             | -                                          | 308,812                              |
| Accumulated losses               | (3,542,703)                                         | (43,771)                                   | (3,586,474)                          |
| <b>TOTAL EQUITY</b>              | <b>2,160,615</b>                                    | <b>29,229</b>                              | <b>2,189,844</b>                     |

**Notes:**

- (a) Issue of 7,300,000 Loyalty Options at an issue price of \$0.01 per Loyalty Option raising \$73,000 (before costs): \$73,000
- (b) Expenses of the Offer: \$43,771

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## **4. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES**

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

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

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

#### **(a) General meetings**

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

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

#### **(b) Voting rights**

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

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

#### **(c) Dividend rights**

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

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

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

(d) **Winding-up**

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

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

(e) **Shareholder liability**

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

(f) **Transfer of shares**

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

(g) **Future increase in capital**

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

(h) **Variation of rights**

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

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

(i) **Alteration of constitution**

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

## **4.2 Terms of Loyalty Options**

(a) **Entitlement**

Each Loyalty Option entitles the holder to subscribe for one (1) Share upon exercise of the Loyalty Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Loyalty Option will be \$0.225 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 21 October 2026 (**Expiry Date**). A Loyalty Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

The Loyalty Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Loyalty Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Loyalty 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 Loyalty Option being exercised in cleared funds (**Exercise Date**).

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

Within 5 Business Days after the Exercise Date, the Company will:

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

(k) **Change in exercise price**

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

(l) **Transferability**

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

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## 5. RISK FACTORS

### 5.1 Introduction

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

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

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

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

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

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

### 5.2 Company specific

| Risk Category                 | Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Potential dilution</b> for | <p>No immediate dilution will occur as a result of the issue of Loyalty Options under this Prospectus. However subsequent exercise of any or all of the Loyalty Options will result in dilution. Assuming all Loyalty Options offered pursuant to this Prospectus are issued and exercised into Shares, Shareholders who do not participate in the Offer, are likely to be diluted by an aggregate of approximately 16.66% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus).</p> <p>It is not possible to predict what the value of the Company, a Share or an Option will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.</p> <p>The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.12 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.</p> |

| Risk Category                              | Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Limited history</b>                     | <p>The Company has limited operating history and historical financial performance.</p> <p>No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its the Company's tenements (<b>Tenements</b>) at the Penny South Project and Ryans Find Project (<b>Projects</b>). Until the Company is able to realise value from its Projects, it is likely to incur ongoing operating losses.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Additional requirements for capital</b> | <p>The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Exploration and operating</b>           | <p>The mineral exploration licences comprising the Projects are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.</p> <p>There can be no assurance that future exploration of these licences, or any other mineral licences that may be acquired in the future, will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.</p> <p>The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns or adverse weather conditions, unanticipated operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and staff, native title process, changing government regulations and many other factors beyond the control of the Company.</p> <p>The success of the Company will also depend upon the Company being able to maintain title to the mineral exploration licences comprising the Projects and obtaining all required approvals for their contemplated activities. In the event that exploration programmes prove to be</p> |

| Risk Category                                          | Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                        | <p>unsuccessful this could lead to a diminution in the value of the Projects, a reduction in the cash reserves of the Company and possible relinquishment of one or more of the mineral exploration licences comprising the Projects.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <p><b>Tenure, access and grant of applications</b></p> | <p><b>Applications</b></p> <p>The Tenements are at various stages of application and grant, specifically certain of the tenements comprising the Ryan's Find Project are still under application, including some with competing applications from third parties. There can be no assurance that the tenement applications that are currently pending will be granted.</p> <p>There can be no assurance that when the tenement is granted, it will be granted in its entirety. Additionally, some of the tenement areas applied for may be excluded.</p> <p>The Company understands that an area covering approximately 86% of ELA 77/2502 (which forms part of the Ryan's Find Project) is proposed to be made exempt from mining as a result of the Western Australian Government's intention to designate that area as a Conservation Park. The Company is currently considering whether it will appeal this decision and if it elects not to, will consider whether it will seek to have the tenement granted in the area not subject to the exempt area.</p> <p>In addition, each of the applications forming part of the Ryan's Find Project are subject to objections by third parties whose miscellaneous licences are overlapped by the applications. The Company is currently in negotiation with each of these parties with respect to access arrangements. There is a risk that the Minister responsible for the Mining Act 1978 (WA) refuses to grant these applications as a result of these objections. However, the Company considers that this risk is low given the status of discussions with these parties.</p> <p>The Company is unaware of any circumstances that would prevent the tenement application from being granted, other than the competing applications, however the consequence of being denied the applications for reasons beyond the control of the Company could be significant specifically for the Projects.</p> <p><b>Renewal</b></p> <p>Mining and exploration tenements are subject to periodic renewal. The renewal of the term of granted tenements is subject to compliance with the applicable mining legislation and regulations and the discretion of the relevant mining authority.</p> <p>Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.</p> |

| Risk Category       | Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                     | <p>The Company considers the likelihood of tenure forfeiture to be low given the laws and regulations governing exploration in Australia and the ongoing expenditure budgeted for by the Company. However, the consequence of forfeiture or involuntary surrender of a granted tenement for reasons beyond the control of the Company could be significant.</p> <p><b>Access</b></p> <p>A number of the Tenements overlap certain third party interests that may limit the Company's ability to conduct exploration and mining activities. Negotiations with both native title and land owners/occupiers are generally required before the Company can access land for exploration or mining activities. Inability to access, or delays experienced in accessing the land, may impact on the Company's activities.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Climate Risk</b> | <p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:</p> <ul style="list-style-type: none"> <li>(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</li> <li>(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.</li> </ul> |

### 5.3 Industry specific

| Risk Category                                             | Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Exploration costs</b>                                  | <p>The exploration costs are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainty, and accordingly, the actual costs may materially differ from the estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely impact the Company's viability.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Resource and reserves and exploration targets</b>      | <p>The Company has identified a number of exploration targets based on geological interpretations and limited geophysical data, geochemical sampling and historical drilling. Insufficient data however, exists to provide certainty over the extent of the mineralisation. Whilst the Company intends to undertake additional exploratory work with the aim of defining a resource, no assurances can be given that additional exploration will result in the determination of a resource on any of the exploration targets identified. Even if a resource is identified no assurance can be provided that this can be economically extracted.</p> <p>Reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature resource and reserve estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate.</p> |
| <b>Grant of future authorisations to explore and mine</b> | <p>If the Company discovers an economically viable mineral deposit that it then intends to develop, it will, among other things, require various approvals, licence and permits before it will be able to mine the deposit. There is no guarantee that the Company will be able to obtain all required approvals, licenses and permits. To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Mine development</b>                                   | <p>Possible future development of mining operations at the Projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and</p>                                                                                                                                                                                                                                                                                                                                                                                       |

| Risk Category                | Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                              | <p>contracting risk from third parties providing essential services.</p> <p>If the Company commences production on one of the Projects, its operations may be disrupted by a variety of risks and hazards which are beyond the control of the Company. No assurance can be given that the Company will achieve commercial viability through the development of the Projects.</p> <p>The risks associated with the development of a mine will be considered in full should the Projects reach that stage and will be managed with ongoing consideration of stakeholder interests.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Environmental</b>         | <p>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.</p> <p>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.</p> <p>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.</p> <p>Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.</p> |
| <b>Regulatory Compliance</b> | <p>The Company's operating activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

| Risk Category | Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|               | <p>protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.</p> <p>While the Company believes that it is in substantial compliance with all material current laws and regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Company or its properties, which could have a material adverse impact on the Company's current operations or planned development projects.</p> <p>Obtaining necessary permits can be a time-consuming process and there is a risk that Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the Tenements.</p> |

#### 5.4 General risks

| Risk Category                                                  | Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Economic conditions and other global or national issues</b> | <p>General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, development and production activities, as well as on its ability to fund those activities.</p> <p>General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.</p> |

| Risk Category                                             | Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Competition risk</b>                                   | <p>The industry in which the Company is involved in is subject to domestic and global competition. Although the Company undertakes reasonable due diligence in its business decisions and operations, the Company has 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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Market conditions</b>                                  | <p>Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> <li>(a) general economic outlook;</li> <li>(b) introduction of tax reform or other new legislation;</li> <li>(c) interest rates and inflation rates;</li> <li>(d) changes in investor sentiment toward particular market sectors;</li> <li>(e) the demand for, and supply of, capital; and</li> <li>(f) terrorism or other hostilities.</li> </ul> <p>The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p> |
| <b>Commodity price volatility and exchange rate risks</b> | <p>If the Company achieves success leading to mineral production, the revenue it will derive through the sale of product exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.</p> <p>Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.</p>                                               |
| <b>Government policy changes</b>                          | <p>Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in Colombia may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

| Risk Category                    | Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Insurance</b>                 | <p>The Company insures its operations in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.</p> <p>Insurance of all risks associated with mineral exploration and production is not always available and where available the costs can be prohibitive.</p>                                        |
| <b>Force Majeure</b>             | <p>The Company's Projects 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, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.</p>                                                                                                                                                                                                                                                                                                    |
| <b>Litigation risks</b>          | <p>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.</p>                                                                                                  |
| <b>Dividends</b>                 | <p>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.</p>                                                                                                                                                                           |
| <b>Taxation</b>                  | <p>The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Loyalty Options under this Prospectus.</p> |
| <b>Reliance on key personnel</b> | <p>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.</p>                                                                                                                                                                                                                                                               |

| Risk Category | Risk                                                                                                                                                                                                                                                                                                                                                           |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|               | The Company may not be able to replace its senior management or key personnel with persons of equivalent expertise and experience within a reasonable period of time or at all and the Company may incur additional expenses to recruit, train and retain personnel. Loss of such personnel may also have an adverse effect on the performance of the Company. |

## 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 Loyalty Options.

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

The Loyalty Options offered under this Prospectus carry no guarantee in respect of value, profitability, dividends, return of capital or the price at which the Shares and Loyalty Options (subject to satisfying ASX of the quotation requirements set out in Chapter 2 of the ASX Listing Rules) may trade on the ASX.

You should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

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## **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                     |
|----------------|-------------------------------------------------|
| 4 October 2023 | Letter to Shareholders                          |
| 4 October 2023 | Notice of Annual General Meeting/Proxy Form     |
| 4 October 2023 | Maiden Drilling Program Completed At Ryans Find |

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

The announcements are also available through the Company's website [www.aurumres.com.au](http://www.aurumres.com.au).

### 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 | \$0.145 | 4 July 2023, 5 July 2023, 6 July 2023, 7 July 2023, 10 July 2023, 11 July 2023, 12 July 2023, 13 July 2023, 14 July 2023, 17 July 2023 and 18 July 2023 |
| Lowest  | \$0.095 | 9 August 2023, 10 August 2023, 11 August 2023, 14 August 2023, 15 August 2023 and 16 August 2023                                                        |
| Last    | \$0.12  | 4 October 2023                                                                                                                                          |

Whilst it is intended that the Loyalty Options will be quoted there is no current market or trading history for the Loyalty Options. It is not possible to predict what the value of Options or Shares will be following the Offer and the Directors do not make any representations as to such matters.

### 6.4 Material Contracts

#### 6.4.1 Lead Manager Mandate

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

|                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Fees and reimbursement</b> | <p>The Company agreed to pay Xcel a lead manager fee of \$14,380 (plus GST).</p> <p>In addition, the Company will reimburse Xcel for out of pocket expenses directly related to the Offer (whether or not the Offer proceeds). Xcel will obtain the Company's consent prior to incurring any single expense greater than \$2,500.</p>                                                                                                                                                                                                                                                      |
| <b>Termination Events</b>     | <p><b>Termination by the Company</b></p> <p>The Company may terminate the Mandate at any time before the Company enters into a trading halt in relation to the Offer:</p> <ul style="list-style-type: none"> <li>(a) if Xcel fails to rectify any material breach of this Mandate having been given 2 business days' notice in writing by the Company of such breach having occurred; or</li> <li>(b) on a no fault basis with 2 business days notice in writing by the Company, provided that in circumstances where the Company considers withdrawing from the proposed Offer</li> </ul> |

|                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                               | <p>or terminating the Mandate as a result of dissatisfaction with the execution of the Mandate by Xcel, the Company must first provide Xcel with reasonable verbal and written notice and an opportunity to rectify, to the Company's satisfaction, the quality of service to be provided under the Mandate.</p> <p><b>Termination by Xcel</b></p> <p>Xcel may terminate the Mandate at any time upon giving written notification of its intention to do so, or if one or more of the following events occur in its sole and absolute opinion:</p> <ul style="list-style-type: none"> <li>(a) at any time, either of the All Ordinaries Index or the Standard and Poors /ASX200 Materials Index is at a level that is 10% or more below its level as at the close of normal trading on ASX at the date of acceptance of the Mandate;</li> <li>(b) the Australian equity capital market conditions and/or ASX trading conditions are such that they are not, in the judgement of Xcel, conducive to the successful completion of the Offer; or</li> <li>(c) all of the conditions to the Mandate have not been, or will not in Xcel's sole and absolute opinion be, satisfied, or waived by Xcel, prior to the shortfall allotment date or such later date agreed by Xcel in writing.</li> </ul> |
| <b>Right of First Refusal</b> | <p>The Company agrees to offer Xcel the lead role in any further equity capital raisings within 18 months of completion of the placement, subject to competitive terms in respect of pricing, fees and timing relative to market practices at that time.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Lock-up</b>                | <p>The Company undertakes not to offer, sell or market, contract to sell, otherwise dispose of or announce the sale, directly or indirectly, of any shares in the Company or other securities which are convertible into or exchangeable or contain the right to acquire shares in the Company, without the prior written consent of Xcel for a period of three (3) months commencing on the closing date of the Offer or unless disclosed to the market prior to signing the Mandate.</p> <p>The Company will use its best endeavours to ensure that during the period of three (3) months commencing on the closing date of the Offer no current or proposed director of the Company or any Related Body Corporate or their respective associates will sell, dispose or transfer any Securities in the Company held by them as at the date of acceptance by the Company of the Mandate without the prior consent of Xcel.</p>                                                                                                                                                                                                                                                                                                                                                                 |

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

## 6.5 Interests of Directors

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

- (a) the formation or promotion of the Company;

- (b) any property acquired or proposed to be acquired by the Company in connection with:
    - (i) its formation or promotion; or
    - (ii) the Offer; or
  - (c) the Offer,
- and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director:
- (d) as an inducement to become, or to qualify as, a Director; or
  - (e) for services provided in connection with:
    - (i) the formation or promotion of the Company; or
    - (i) the Offer.

### **Security holdings**

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

### **Remuneration**

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The 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 following table shows the total (and proposed) annual remuneration paid to both executive and non-executive Directors.

| Director        | Remuneration for the year ended 30 June 2023 | Proposed remuneration for the year ending 30 June 2024 <sup>1</sup> |
|-----------------|----------------------------------------------|---------------------------------------------------------------------|
| Troy Flannery   | \$49,504 <sup>2</sup>                        | \$60,000                                                            |
| Mauro Piccini   | \$39,780 <sup>3</sup>                        | \$36,000                                                            |
| Debra Fullarton | \$14,586 <sup>4</sup>                        | \$36,000                                                            |

**Notes:**

1. Proposed cash fees payable for this period, share-based payments have not been included.
2. Comprising of \$44,800 in director salary and fees, and \$4,704 in superannuation payments.
3. Comprising of \$36,000 in director salary and fees, and \$3,780 in superannuation payments.
4. Comprising of \$13,200 in director salary and fees, and \$1,386 in superannuation payments.

## **6.6 Interests of experts and advisers**

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

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

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

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

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

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

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$15,000 (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 \$62,049.19 (excluding GST and disbursements) for legal services provided to the Company.

Xcel Capital Pty Ltd will be paid a broker fee of approximately \$14,380 (plus GST) in respect of this Offer. During the 24 months preceding lodgement of this Prospectus with the ASIC, Xcel Capital Pty Ltd has received \$460,031 (excluding GST) in fees from the Company.

## 6.7 Consents

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

Each of the parties referred to in this Section:

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

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

RSM Australia Partners has given its written consent to being named as auditor to the Company in this Prospectus and the inclusion of the audited balance sheet of the Company as at 30 June 2023 in Section 3.4. RSM Australia Partners has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Xcel Capital Pty Ltd has given its written consent to being named as lead manager to the Company in this Prospectus.

## 6.8 Expenses of the Offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$43,771 (excluding GST) and are expected to be applied towards the items set out in the table below:

|                           | \$            |
|---------------------------|---------------|
| ASIC fees                 | 3,206         |
| ASX fees                  | 8,185         |
| Lead Manager fee          | 14,380        |
| Legal fees                | 15,000        |
| Printing and distribution | 1,500         |
| Miscellaneous             | 1,500         |
| <b>Total</b>              | <b>43,771</b> |

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**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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## 8. GLOSSARY

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

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

**ASIC** means the Australian Securities and Investments Commission.

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

**ASX Listing Rules** means the listing rules of the ASX.

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

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

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

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

**Company** means Aurum Resources Limited (ACN 650 477 286).

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

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

**CRN** means Customer Reference Number in relation to BPAY®.

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

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

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

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

**Exercise Price** means the exercise price of the Loyalty Options being \$0.225.

**Ineligible Shareholder** means a Shareholder as at the Record Date whose registered address is not situated in Australia or New Zealand.

**Lead Manager** or **Xcel** means Xcel Capital Pty Ltd.

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

**Mandate** has the meaning given in Section 6.4.1.

**Offer** means the non-renounceable entitlement issue the subject of this Prospectus.

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

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

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

**Placement** has the meaning given in Section 1.33.3.

**Prospectus** means this prospectus.

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

**Section** means a section of this Prospectus.

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

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

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

**Shortfall** means the Loyalty Options not applied for under the Offer (if any).

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

**Shortfall Offer** means the offer of the Shortfall Options on the terms and conditions set out in Section 2.6.

**Shortfall Options** means those Loyalty Option not applied for under the Offer (if any) and offered pursuant to the Shortfall Offer.

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