



30 November 2021

Dear CDI holder,

### **Black Dragon Gold Corporation - Securities Purchase Plan**

On behalf of the Board of Black Dragon Gold Corp. (ARBN 625 522 250) (**Company**), I am pleased to offer you the opportunity to subscribe for additional CHESS Depositary Interests in the Company (**CDIs**) under a securities purchase plan (**Offer**).

The Company is offering eligible CDI holders, at the record date of 17 November 2021, the opportunity under the Offer to acquire from A\$2,000 (minimum) to A\$30,000 (maximum) worth of CDIs at an issue price of A\$0.056 per CDI. The issue price represents a 19.2% discount to the volume weighted average market price of CDIs over the last five days on which sales of CDIs were recorded on the Australian Securities Exchange (**ASX**) immediately prior to the announcement of the Offer. Subject to shareholder approval investors under the Offer will receive one attaching option for every two CDIs subscribed for in the Offer, with each option having an exercise price of \$0.10 each, exercisable on or before 31 December 2023 (**SPP Options**).

CDI holders will be eligible to participate in the Offer if they have a registered address in Australia or New Zealand as at 5.00pm (AWST) on 17 November 2021. The Offers are not being made to any residents of Canada and residents of Canada are not eligible to participate therein. By subscribing for Securities under any of the Offers you are representing that you are purchasing as principal and are resident in Australia or are a New Zealand resident that is eligible to participate in the Offers as set forth herein. Unless permitted under relevant securities legislation, the Securities issued under the Offers will not be tradable in Canada before any date that is four months and a day after the date of issue of such Securities.

As announced on 18 November 2021, the Offer will be run in parallel with a two tranche placement to raise up to \$2,430,001 (before costs) at the same issue price as the Offer (**Placement**). Subject to receiving shareholder approval, directors intend to subscribe for CDIs up to a value of \$580,000 under the Placement and on this basis, will not participate under the Offer. Subject to shareholder approval all Placement investors will receive one attaching option for every two CDIs subscribed in the Placement, with each option having an exercise price of \$0.10 each, exercisable on or before 31 December 2023 (**Placement Options**).

Funds raised under the Placement and the Offer will be used towards advancing the +1Moz Salave Gold Project, including completing and updating economic studies. In addition, whilst critical permitting of the Salvae Project is progressed, the Company will review new resource opportunities.

Applications for new CDIs under the Offer will be made on the enclosed Application Form. The Offer of CDIs under the Offer is made in accordance with ASIC *Corporations (Share and Interest Purchase Plans) Instrument 2019/547* and therefore does not require a prospectus for the purposes of Chapter 6D of the Corporations Act. The Company intends to prepare a prospectus in respect of the issue of the SPP Options and Placement Options.

**Important Information**

The Offer is governed by the enclosed terms and conditions. The Board urges you to read these terms and conditions carefully and in their entirety before deciding whether to participate in the Offer.

If you are uncertain whether CDIs are a suitable investment for you, you should consult your financial or other professional adviser. The Board recommends that you obtain your own financial advice in relation to the Offer and consider price movements of CDIs in the Company prior to electing to participate in the Offer.

**Enquiries**

If you have any enquiries in relation to your Application Form or the Offer, please contact Computershare Investor Services on 1300 850 505.

Yours faithfully

Paul Cronin  
Executive Director  
Black Dragon Gold Corp.

## BLACK DRAGON GOLD CORP. (ARBN 625 522 250)

### SECURITIES PURCHASE PLAN TERMS AND CONDITIONS

This is the terms and conditions of the Black Dragon Gold Corp. (ARBN 625 522 250) (**Company**) 2021 Securities Purchase Plan (**Offer**) and are binding on any CDI holder providing a completed Securities Purchase Plan Application Form to the Company.

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#### 1. Offer

The Offer is an invitation to apply for CHESS Depositary Interests (**CDIs**) up to a maximum subscription of A\$30,000 at an issue price of A\$0.056 per CDI (**New CDIs**) (**Offer**).

The Offer to each eligible CDI holder is made on the same terms and conditions.

The Offer is non-renounceable.

The Offer is not underwritten.

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#### 2. Eligibility

You are eligible to apply for New CDIs (**Eligible CDI holder**) if:

- (a) your registered address in the Company's register of members is in Australia or New Zealand; and
- (b) you were registered as a holder of CDIs as at 5.00pm (AWST) on 17 November 2021.

The Offer is not being made to any residents of Canada and residents of Canada are not eligible to participate therein. By subscribing for Securities under the Offer you are representing that you are purchasing as principal and are resident in Australia or are a New Zealand resident that is eligible to participate in the Offer as set forth herein. Unless permitted under relevant securities legislation, the Securities issued under the Offer will not be tradable in Canada before any date that is four months and a day after the date of issue of such Securities.

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#### 3. Issue Price

The issue price for each New CDI under the Offer is A\$0.056 per CDI (**Issue Price**).

In accordance with the requirements of ASIC *Corporations (Share and Interest Purchase Plans) Instrument 2019/547*, the Company notes the following:

- (a) On the last trading day immediately prior to the announcement date of the Offer, the closing price of the CDIs traded on the Australian Securities Exchange (**ASX**) was A\$0.073 per CDI. The Issue Price is a 23.3% discount to that closing price.
- (b) The market price of CDIs may rise and fall between the date of the Offer and the date that any CDIs are issued under the Offer.

- (c) By making an application under this Offer, each Eligible CDI holder will be acknowledging that although the Issue Price is at a discount to the closing price specified above, CDIs are a speculative investment and the price of CDIs on ASX may change between the date of the Company announcing its intention to make the Offer and the date of issue of CDIs under that Offer and that the value of the CDIs received under the Offer may rise or fall accordingly.
- (d) The Issue Price is less than the market price of CDIs during a 'specified period' in the 30 days before the date of the Offer (such specified period being the 5 days in which trading in CDIs occurred before the date of the announcement of the Offer).

In accordance with ASX Listing Rule 7.2 Exception 5, the Issue Price is equal to or greater than 80% of the volume weighted average price for the 5 days in which trading in the CDIs occurred before the date of the announcement of the Offer.

The Board recommends that you obtain your own financial and taxation advice in relation to the Offer and consider price movements of CDIs in the Company prior to making an application under this Offer.

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## **4. Number of New CDIs**

### **4.1 Application amount**

If you are an Eligible CDI holder, you can apply for up to a maximum of A\$30,000 worth of New CDIs. Eligible CDI holders can select one of the following alternatives:

| <b>Offer</b> | <b>Value</b> | <b>Number of New CDIs</b> |
|--------------|--------------|---------------------------|
| A            | A\$2,000     | 35,714                    |
| B            | A\$5,000     | 89,286                    |
| C            | A\$10,000    | 178,571                   |
| D            | A\$15,000    | 267,857                   |
| E            | A\$30,000    | 535,714                   |

### **4.2 A\$30,000 maximum**

The total costs of New CDIs purchased by each Eligible CDI holder (including through joint holding/s, multiple accounts or any holding in which they have a beneficial interest/s) must not exceed A\$30,000.

The Company reserves the right to issue to an Eligible CDI holder fewer New CDIs than the number specified in an Application Form for whatever reason, including to avoid the possible subscription of over A\$30,000 worth of New CDIs by a holder through multiple applications or joint holdings.

No fractions of New CDIs will be issued and fractions of CDIs will be rounded down to the nearest whole number.

### 4.3 Maximum number of New CDIs to be issued

- (a) **ASX Listing Rules limitation:** In accordance with ASX Listing Rule 7.2 Exception 5, the total number of New CDIs under the Offer must not exceed 30% of the number of CDIs currently on issue.
- (b) **Discretionary limitation:** It is presently intended that a maximum of 40,845,659 CDIs will be issued pursuant to the Offer, which would raise a maximum of approximately A\$2,287,357 before costs). If required, applications will be scaled back on a pro-rata basis, having regard to the applicants' CDI holding on the Record Date. The Board presently intends that the Offer will close after the maximum amount has been raised.
- (c) **Board discretion:** The Board reserves its right to reject or scale back any applications in whole or in part. The Board reserves absolute discretion regarding the final amount raised under the Offer (subject to the requirements of ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 and the ASX Listing Rules). If there is a rejection or scale back, your application monies may be greater than the value of New CDIs issued to you under the Offer, in which case the excess application monies will be refunded to you, without interest.

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## 5. Participation costs

You must pay the Issue Price per New CDI and any fees or charges incurred by you in completing the Application Form, for example, bank fees or fees of professional advisors. No commission is payable by the Company on the issue of the New CDIs and no brokerage applies.

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## 6. Rights attaching

Participants in the Offer should note that, as the Company is incorporated under the laws of British Columbia, Canada, they will be issued with CDIs instead of common shares of the Company (the "Shares") under the Offer.

CDIs issued pursuant to the Offer will allow beneficial title to the Shares to be held and transferred. CDIs are electronic depository interests or receipts issued and are units of beneficial ownership in securities registered in the name of CHESS Depository Nominees Pty Ltd (**CDN**). CDN is a wholly owned subsidiary of ASX. The main difference between holding CDIs and Shares is that the holder of CDIs has beneficial ownership of the underlying Shares instead of legal title. Legal title to the underlying Shares is held by CDN for the benefit of the CDI holder. The shares underlying the CDIs issued pursuant to this Offer will be registered in the name of CDN for the benefit of CDI holders. Each CDI represents one underlying Share.

CDN receives no fees from investors for acting as the depository nominee in respect of CDIs.

CDI holders have the same economic benefits of holding the underlying Shares. CDI holders are able to transfer and settle transactions electronically on ASX. With the exception of voting rights, the CDI holders are generally entitled to equivalent rights and entitlements as if they were the legal owners of Shares. CDI holders will receive notices of general meetings of shareholders. As CDI holders are not the legal owners of underlying Shares, CDN, which holds legal title to the Shares underlying the CDIs, is entitled to vote at shareholder meetings of the Company on the instruction of the CDI holders on a poll, not on a show of hands. CDI holders are entitled to give instructions for one vote for every underlying Share held by CDN.

Refer to Sections 6.2 and 6.3 of the Company's replacement prospectus dated 23 July 2018 for further information about CDIs.

Apart from in this section 6, the terms "Shares" and "CDIs" may be used interchangeably.

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## 7. Allotment of New CDIs

Subject to these terms and conditions, the New CDIs will be allotted as soon as possible after the Offer closing date. The Company will send or cause to be sent to you a holding statement in due course.

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## 8. Payment for New CDIs

All amounts in this Offer are expressed in Australian dollars. You must pay for the New CDIs by BPay® following the instructions on the Application Form, or by cheque in Australian dollars made payable to "Black Dragon Gold Corp.". Please provide a cheque for the exact amount. If you do not provide the exact amount, the Company reserves the right to return your Application Form and cheque (in which case you will receive no New CDIs) or issue you a lesser number of New CDIs and (if necessary) return a portion of your funds. No interest will be paid on money returned.

You may apply for New CDIs:

- **by completing the Application Form** (where applicable) and returning it together with your cheque, bank draft or money order drawn on an Australian bank and in Australian dollars to the Company's Share Registry in accordance with the instructions on the Application Form; if you have opted electronic communications you will not receive a hardcopy Application form but a copy of the Application Form will be available on the registry website [www.investorcente.com](http://www.investorcente.com) OR via the dedicated offer website <https://bdgoffer2021.thereachagency.com/>
- **by making a BPAY® payment** (for Australian shareholders only) using the customer reference number shown on your Application Form, in which case you do not need to return your Application Form. If you make a payment by BPAY® and the Company receives an amount that is less than the whole amount for which Shares may be applied the Company reserves the right to return your monies (in which case you will receive no New CDIs) or issue you a lesser number of New CDIs and (if necessary) return a portion of your funds. No interest will be paid on money returned.

Any amount not applied to your application will be refunded without interest.

Please do not forward cash. Receipts for payment will not be issued. Applications must be received by 5.00pm (AWST) on 22 December 2021. Applications received after that time will not be accepted.

If paying via BPAY®, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY® by the Closing Date.

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## 9. Risk

New CDIs are a speculative investment and the market price may change between the dates you apply for New CDIs and the issue of New CDIs to you. Accordingly, the value of New CDIs applied for may rise or fall.

This Offer is not a prospectus and does not require the types of disclosures required under the Corporations Act for a disclosure document. You must rely on your own knowledge of the Company, previous disclosures made by the Company to ASX, and, if necessary, consult your professional advisor when deciding whether or not to participate in the Offer.

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## 10. Privacy

By receiving completed Application Forms, the Company collects personal information about CDI holders. The Company will use this information for the purposes of processing the Application Form and updating the records of the Company. Unless required by the law, the Company will not disclose the personal information for another purpose without the consent of the CDI holder. Except as stated by the law, CDI holders are able to access, upon request, their personal information held by the Company. For further information about how we manage your personal information or if you wish to obtain a copy of the Company's Privacy policy, please contact us.

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## 11. Use of funds

The Board presently intends that the funds raised from the Offer will be applied towards:

- (a) completing and updating economic assessments Salave Gold Project;
- (b) corporate, employee and administrative costs;
- (c) costs of the Offers; and
- (d) general working capital.

As with any intended budget or use of funds, this is a statement of current intentions as at the date of this Offer. 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 the funds are applied on this basis.

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## 12. Important Dates

The important dates in relation to this Offer are summarised below.

|                           |                  |
|---------------------------|------------------|
| Record Date (5.00pm AWST) | 17 November 2021 |
| Announcement of Offer     | 18 November 2021 |
| Prospectus Date           | 30 November 2021 |

|                                                                 |                  |
|-----------------------------------------------------------------|------------------|
| Offer opening date- Despatch of Prospectus. Opening date of SPP | 1 December 2021  |
| Offer closing date (5.00pm AWST)                                | 22 December 2021 |
| Announcement of results of Offer                                | 30 December 2021 |
| Issue of New CDIs                                               | 31 December 2021 |
| Commencement of trading of New CDIs                             | 4 January 2021   |

These above dates are indicative only. The Company may vary the dates and times of the Offer by lodging a revised notice with ASX.

As the Offer is made on a 'first in, first accepted' basis, the Closing Date may be earlier than specified and particularly so if applications have been received for the maximum subscription amount.

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### 13. Joint holders

If you are a joint holder of existing CDIs, you are taken to be a single registered holder of existing CDIs for the purposes of determining whether you are an Eligible CDI holder and joint holders are entitled to participate in the Offer in respect of that single holding only.

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### 14. Custodians, trustees and nominees

#### 14.1 Custodians

If you are an Eligible CDI holder and hold CDIs as a custodian (as defined in ASIC *Corporations (Share and Interest Purchase Plans) Instrument 2019/547* (refer below) (**Custodian**) or in any more specific ASIC relief granted to the Company in relation to the Offer), you may apply for up to A\$30,000 worth of New CDIs for each beneficiary for whom you act as custodian provided you complete and submit, together with an Application Form, a certificate (**Custodian Certificate**) with the following information:

- (a) that you held CDIs on behalf of:
  - (i) one or more other persons that are not custodians; and/or
  - (ii) another custodian (**Downstream Custodian**) that holds beneficial interests in CDIs on behalf of one or more other persons to which those beneficial interests relate,

(each a **Participating Beneficiary**) at the Record Date who have subsequently instructed you, and/or the Downstream Custodian, to apply for New CDIs under the Offer on their behalf;
- (b) the number of Participating Beneficiaries and their names and addresses;
- (c) the number of CDIs that you hold on behalf of each Participating Beneficiary;

- (d) the number or dollar amount of CDIs that each Participating Beneficiary has instructed you, either directly or indirectly through a Downstream Custodian, to apply for on their behalf;
- (e) that the Issue Price for New CDIs applied under the Offer for each Participating Beneficiary for whom you act in addition to the application price for any other CDIs issued to you as custodian (as a result of instruction given to you as Custodian or a Downstream Custodian) for that Participating Beneficiary under any arrangement similar to the Offer in the prior 12 months does not exceed A\$30,000;
- (f) that a copy of the written offer document was given to each Participating Beneficiary; and
- (g) where you hold CDIs on behalf of a Participating Beneficiary indirectly, through one or more Downstream Custodians, the name and address of each Downstream Custodian.

For the purposes of ASIC *Corporations (Share and Interest Purchase Plans) Instrument 2019/547* you are a 'Custodian' if you provide a custodial or depository service in relation to shares of a body or interests in a registered scheme and who:

- (a) holds an Australian financial services licence covering the provision of a custodial or depository service;
- (b) is exempt from the requirement to hold an Australian financial services licence covering the provision of a custodial or depository service;
- (c) holds an Australian financial services licence covering the operation an IDPS or is a responsible entity of an IDPS-like scheme;
- (d) is a trustee of a self-managed superannuation fund or a superannuation master trust; or
- (e) is a registered holder of shares or interests in the class and is noted on the register of members of the body or scheme as holding the shares or interests on account of another person.

If you hold CDIs as a trustee or nominee for another person or persons but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings (see paragraph 4.2 above) apply.

Custodians should request a Custodian Certificate when making an application on behalf of Participating Beneficiaries. To request a Custodian Certificate and if you would like further information on how to apply, you should contact the Company's Share Registry at any time from 8.30am to 5.00pm (AWST time) Monday to Friday during the Offer period.

The Company reserves the right to reject any application for New CDIs to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements. The Company reserves the right to reject applications in accordance with these Terms and Conditions.

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## 15. Foreign offering restrictions

### 15.1 Distribution

This document does not constitute an offer of the New CDIs in any jurisdiction in which it would be unlawful, and has been prepared for distribution in Australia and New Zealand only and may not be released or distributed elsewhere.

### 15.2 New Zealand

The New CDIs are not being offered or sold to the public within New Zealand other than to existing CDI holders of the Company with registered addresses in New Zealand to whom the offer of New CDIs is being made in reliance on the *Financial Markets Conduct Act 2013* and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016*. This document has 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.

### 15.3 Custodians

The Company is not required to determine, and will not determine, the identity or residence of any beneficial owners of CDIs. Each Custodian will need to determine for itself whether its beneficiaries are Eligible Beneficiaries.

### 15.4 Trading in Canada

This document is not an offer of securities for sale in Canada and neither the New CDIs or the right to subscribe for New CDIs hereunder are being offered to any residents of Canada or any of the provinces or territories thereof. By completing and submitting this Application Form, you specifically represent and agree that:

- (a) you are not located in, or a resident of, the Province of British Columbia or any other province or territory of Canada and that you are purchasing the New CDIs as principal;
- (b) the New CDIs will be subject to Canadian resale restrictions, that you should consult with Canadian legal counsel before making any resale of New CDIs to a purchaser in Canada and, in particular, that any certificate or holding statement representing the New CDIs will bear a legend in substantially the following form:

"IN CANADA, UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THIS SECURITY BEFORE •  
**[Note: that date that is four months and one day after the date the New CDIs are initially issued will be inserted here].**"; and

- (c) your name and other specified information, including the number of New CDIs purchased, may be disclosed to Canadian securities regulatory authorities in accordance with the requirements of applicable Canadian laws, and you consent to the disclosure of that information.

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## 16. No Financial Advice

This document does not provide financial advice and has been prepared without taking account of any person's investment objectives, financial situation or particular needs. You should consider the appropriateness of participating in the Offer having regard to your investment objectives, financial situation or particular needs. CDI holders should seek independent financial and taxation advice before making any investment decision in relation to these matters.

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## 17. Acknowledgement

By returning an Application Form with a cheque, bank draft, money order or preferably making a payment via BPay®, you:

- (a) irrevocably and unconditionally agree to the terms and conditions of the Offer and the terms and conditions of the Application Form and agree not to do any act or thing that would be contrary to the spirit, intention or purpose of the Offer;
- (b) warrant that you have received and read a copy of the Company's prospectus dated 30 November 2021, which contains (with terms defined in the prospectus) an Application Form and offer of up to 20,422,830 New Options to SPP Subscribers on the basis of 1 free-attaching Option for every 2 CDIs subscribed for under the SPP and irrevocably and unconditionally agree to the terms and conditions of the SPP Options Offer and the terms and conditions of the Application Form (for the SPP Options Offer) and agree not to do any act or thing that would be contrary to the spirit, intention or purpose of the SPP Options Offer;
- (c) warrant that all details and statements in your application are true and complete and not misleading;
- (d) agree that your application will be irrevocable and unconditional (that is, it cannot be withdrawn even if the market price of the New CDIs is less than the Issue Price);
- (e) warrant that you are an Eligible CDI holder and are eligible to participate in the Offer;
- (f) acknowledge that no interest will be paid on any application monies held pending the issue of New CDIs under the Offer or subsequently refunded to you for any reason;
- (g) acknowledge that the Company and its officers and agents, are not liable for any consequences of the exercise or non-exercise of its discretions referred to in these terms and conditions;
- (h) if you are applying on your own behalf (and not as a Custodian), acknowledge and agree that:
  - (i) you are not applying for New CDIs with an application price of more than A\$30,000 under the Offer (including by instructing a Custodian to acquire New CDIs on your behalf under the Offer); and
  - (ii) the total of the application price for the following does not exceed A\$30,000:
    - (A) the New CDIs the subject of the application;

- (B) any other CDIs issued to you under the Offer or any similar arrangement in the 12 months before the application (excluding CDIs applied for but not issued);
  - (C) any other New CDIs which you have instructed a Custodian to acquire on your behalf under the Offer; and
  - (D) any other CDIs issued to a Custodian in the 12 months before the application as a result of an instruction given by you to the Custodian to apply for CDIs on your behalf under an arrangement similar to the Offer;
- (i) if you are a Custodian and are applying on behalf of a Participating Beneficiary on whose behalf you hold CDIs, acknowledge and agree that:
  - (i) you are a Custodian (defined above);
  - (ii) you hold CDIs (directly or indirectly) on behalf of one or more Participating Beneficiaries;
  - (iii) you held CDIs on behalf of the Participating Beneficiary as at the Record Date who has instructed you to apply for New CDIs on their behalf under the Offer;
  - (iv) each Participating Beneficiary on whose behalf you are applying for New CDIs has been given a copy of this document;
  - (v) the application price for the New CDIs applied for on behalf of the Participating Beneficiary, and any other CDIs applied for on their behalf under a similar arrangement in the previous 12 months (excluding CDIs applied for but not issued), does not exceed A\$30,000; and
  - (vi) the information in the Custodian Certificate submitted with your Application Form is true, correct and not misleading;
- (j) agree to be bound by the constitution of the Company (as amended from time to time);
- (k) acknowledge that none of the Company, its advisers or agents, has provided you with any financial product or investment advice or taxation advice in relation to the Offer, or has any obligation to provide such advice;
- (l) authorise the Company, and its officers and agents, to correct minor or easily rectified errors in, or omissions from, your Application Form and to complete the Application Form by the insertion of any missing minor detail and
- (m) have not distributed this document or any other documents relating to the Offer to, any person in the United States. Failure to comply with these restrictions may result in violations of applicable securities laws.

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## **18. Additional provisions**

### **18.1 Amendments**

The Company may amend the terms of the Offer at any time. Any material amendments will be announced to the ASX.

## **18.2 Termination**

The Company may terminate or otherwise withdraw the Offer at any time. Any termination or withdrawal will be announced to the ASX, and any application monies received will be refunded without interest.

## **18.3 Interpretation**

The Company may act or omit to act in relation to the Offer (including applying the terms of the Offer) in its absolute discretion. The Company may settle any difficulty of question of fact or interpretation in relation to the Offer in any matter it thinks fit, whether generally or in relation to any participant, application or CDI. The Company's decision will be conclusive and binding. The Company reserves the right to waive strict compliance with the terms of the Offer. The Board or any delegate may exercise the powers of the Company under the terms of the Offer.