

ASX Announcement

9 December 2022

Priority Option Offer Prospectus

GBM Resources Limited (ASX: GBZ) (**GBM** or the **Company**) advises of the lodgment with ASIC of the accompanying prospectus with respect to the offer of up to 38,738,706 options pursuant to a priority entitlement offer (**Priority Option Offer**) originally announced to ASX on 20 October 2022.

Eligible holders (with a registered address in Australia and New Zealand) of options exercisable at \$0.075 and expired 30 November 2022 (**Expired Options**) (as per the register of holders as at 4.59pm (WST) on 30 November 2022) have the opportunity to subscribe for replacement options exercisable at \$0.075 per new option and expiring 24 months from the date of issue (**Priority Options**).

The Priority Options will be issued at a subscription price of \$0.005 each and raise up to \$193,694, to cover costs of the issue and contribute to working capital. If exercised in full, the Priority Options will provide approximately \$2.9 million in funding.

The proposed issue of Priority Options pursuant to the Priority Option Offer was approved by shareholders at the Company's 2022 annual general meeting on 30 November 2022.

Indicative Timetable

Action	Date
Annual General Meeting of Shareholders to approve the Offer	Wednesday, 30 November 2022
Record date for determining eligibility for New Unlisted Options	4:59pm (WST) on Wednesday, 30 November 2022
Lodgement of the Prospectus with ASIC and ASX	Friday, 9 December 2022
Lodge amended Appendix 3B ¹	Friday, 9 December 2022
Opening Date	Friday, 16 December 2022
Closing Date	Tuesday, 31 January 2023
Expected date of issue of New Unlisted Options	Tuesday, 7 February 2023

1. The Company announced the proposed issue of the New Unlisted Options on 20 October 2022, which issue was expected to occur on 30 November 2022, subject to Shareholder approval being obtained at the Company's Annual General Meeting.

The above dates are indicative only and may change without notice. Unless otherwise indicated, all times given are in WST. The Directors reserve the right to extend the Closing Date or close the Offer early without prior notice.

An amended Appendix 3B will be lodged with ASX following release of this announcement in respect of the proposed issue of Priority Options to replace the original Appendix 3B lodged with ASX on 20 October 2022.

A copy of the Prospectus and Target Market Determination (TMD) can be accessed on the Company's website at <https://www.gbmr.com.au/shareholder-information/>

This ASX announcement was approved and authorised for release by:

Peter Rohner, Managing Director

For further information please contact:

Investor enquiries

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GBM RESOURCES LIMITED
ACN 124 752 745

OPTIONS PROSPECTUS

For the placement of up to 38,738,706 New Unlisted Options to subscribe for Shares in the Company on the terms and conditions set out in this Prospectus.

IMPORTANT NOTICE

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

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

IMPORTANT NOTICE

Introduction

This Prospectus is dated 9 December 2022 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.

The New Unlisted Options offered pursuant to this Prospectus will be issued on the terms and conditions set out in this Prospectus.

No New Unlisted 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.

The Offer is only available to those who are eligible to accept the Offer.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The New Unlisted Options the subject of this Prospectus should be considered highly speculative.

Applications for New Unlisted 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 options to acquire 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.

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 the New Unlisted 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 of this Prospectus.

Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares 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 Securities 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 2.12.

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 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 (<https://www.gbmr.com.au/shareholder-information/>).

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.

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.

Key Risk Factors

Potential investors should be aware that subscribing for New Unlisted Options involves a number of risks. The future performance of the

Company and the value of the Securities 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 of this Prospectus.

Continuous Disclosure

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

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

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

Please refer to Section 6.2 for further details.

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 Eastern Standard Time.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at <https://www.gbmr.com.au/shareholder-information/>. 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 Entitlement and Acceptance 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 9316 9100 during office hours or by emailing the Company at reception@gbmex.com.au.

The Company reserves the right not to accept an Entitlement and Acceptance Form from a person if it has reason to believe that when that person was given access to the electronic Entitlement and Acceptance 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.

Privacy Statement

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

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

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

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

Company Website

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

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offer please call the Company Secretary on + 61 8 9316 9100.

CORPORATE DIRECTORY

Board of Directors

Peter Mullens
Executive Chair

Peter Rohner
Managing Director

Sunny Loh
Non-Executive Deputy Chair

Peter Thompson
Non-Executive Director

Company Secretaries

Kevin Hart
Joint Company Secretary

Dan Travers
Joint Company Secretary

Registered Office

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Mt Pleasant WA 6153

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Website: www.gbmr.com.au

ASX Code

GBZ

Auditor*

HLB Mann Judd
Level 4, 130 Stirling Street
Perth WA 6000

Share Registry*

Computershare Investor Services Pty
Limited
Level 11, 172 St Georges Terrace
Perth WA 6000

Telephone: 1300 850 505 (within
Australia) +61 3 9415 4000 (outside
Australia)

Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 6
99 William Street
MELBOURNE VIC 3000

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

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1. KEY OFFER INFORMATION

1.1 Timetable

Action	Date
Record date for determining eligibility for New Unlisted Options	4:59pm (WST) on Wednesday, 30 November 2022
Lodgement of the Prospectus with ASIC and ASX	Friday, 9 December 2022
Lodge amended Appendix 3B ¹	Friday, 9 December 2022
Opening Date	Friday, 16 December 2022
Closing Date	Tuesday, 31 January 2023
Expected date of issue of New Unlisted Options	Tuesday, 7 February 2023

Notes:

1. The Company announced the proposed issue of the New Unlisted Options on 20 October 2022, which issue was expected to occur on 30 November 2022, subject to Shareholder approval being obtained at the Company's Annual General Meeting. The New Unlisted Options were not issued on this date and will be issued in accordance with the above timetable. The Company will update the market on 9 December 2022 after the results of the Company's Annual General Meeting have been determined.

Dates may change

The above dates are indicative only and may change without notice. Unless otherwise indicated, all times given are in WST. The Directors reserve the right to extend the Closing Date or close the Offer early without prior notice.

If the Offer is cancelled or withdrawn before completion of the Offer, then all application monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their applications as soon as possible after the Offer opens.

2. DETAILS OF THE OFFER

2.1 Background

The Company announced on 20 October 2022 that it had a class of unlisted Options (GBZAK) on issue comprising 38,790,399 unlisted Options with an exercise price of \$0.075 that were due to expire at 5.00pm (WST) on 30 November 2022. These Options were issued pursuant to a prospectus in respect of a non-renounceable entitlement offer dated 2 February 2022. Of these Options, 51,693 were exercised prior to 30 November 2022 and the remaining 38,738,706 Options expired on 30 November 2022 (**Expired Options**).

A Director of the Company, Mr Peter Rohner, is a holder of Expired Options. A resolution to enable him to participate in the Offer was outlined in the Company's Notice of Annual General Meeting announced to ASX on 28 October 2022. Mr Rohner's participation in the Offer was approved by Shareholders at the Company's Annual General Meeting held on 30 November 2022.

2.2 The Offer

This Prospectus invites registered holders of Expired Options at 30 November 2022 (**Registered Holders**) to participate in the placement of up to 38,738,706 new unlisted Options at an issue price of \$0.005 each, exercisable at \$0.075 each and expiring at 5:00pm (WST) on the date which is 24 months from the date of issue (**New Unlisted Options**).

Registered Holders are eligible to apply for one (1) New Unlisted Option for every one (1) Expired Option held by those holders.

The Company will issue the New Unlisted Options pursuant to Shareholder approval, which was obtained at the Annual General Meeting of the Company held on 30 November 2022 (**Annual General Meeting**). The New Unlisted Options will be issued within three months of the Company obtaining that approval.

If you do not wish to participate in the Offer, you are not required to take any action. Any New Unlisted Options not applied for under the Offer will form part of the Shortfall Offer set out in Section 2.8 of this Prospectus.

All of the New Unlisted Options offered under this Prospectus will be issued on the terms and conditions set out in Section 4.1 of this Prospectus.

All of the Shares issued upon the future exercise of the New Unlisted Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.2 of this Prospectus for further information regarding the rights and liabilities attaching to Shares.

The Company does not intend to apply for quotation of the New Unlisted Options.

How to apply for the New Unlisted Options under the Offer is set out in Section 2.5 below.

2.3 Minimum Subscription

There is no minimum subscription under the Offer and there is no provision for oversubscriptions.

2.4 Opening and Closing Dates

The Offer will open on 16 December 2022 and close at 5:00pm (WST) on 31 January 2023 or such later date as the Directors, in their absolute discretion and subject to compliance with the ASX Listing Rules and the Corporations Act, may determine.

2.5 What Registered Holders may do

The number of New Unlisted Options to which Registered Holders are entitled is shown on the personalised Entitlement and Acceptance Form which accompanies this Prospectus. Registered Holders may choose any of the options set out in the table below.

Option	Key Considerations	For more information
Take up all of your Entitlement	• Should you wish to accept all of your Entitlement, then your application for New Unlisted Options under this Prospectus must be made by following the instructions on the personalised Entitlement and Acceptance Form. Please read the instructions carefully. • Payment can be made by the methods set out in Section 2.6. As set out in Section 2.6, if you pay by BPAY, you do not need to return the Entitlement and Acceptance Form.	Sections 2.6 and 2.7
Take up all of your Entitlement and also apply for Shortfall Options	• 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. Please read the instructions carefully. • Payment can be made by the methods set out in Section 2.6. Payment should be made for your Entitlement and the amount of the Shortfall for which you are applying. • 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 discretion as per the allocation policy set out in Section 2.8. Accordingly, your application for additional Shortfall Options may be scaled-back.	Sections 2.6, 2.7 and 2.8

Option	Key Considerations	For more information
	The Company's decision on the number of Shortfall Options to be allocated to you will be final.	
Take up a proportion of your Entitlement and allow the balance to lapse	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 for the number of New Unlisted Options you wish to take up and making payment using the methods set out in Section 2.6 below. As set out in Section 2.6, if you pay by BPAY, you do not need to return the Entitlement and Acceptance Form.	Sections 2.6 and 2.7
Allow all or part of your Entitlement to lapse	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.	N/A

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

2.6 Payment Options

2.6.1 By cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to **"GBM Resources Limited"** and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's registered office **no later than 5:00pm (WST) on the Closing Date**.

2.6.2 By BPAY®

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

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of New Unlisted Options which is covered in full by your application monies; and
- (c) 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.

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

2.7 Implications on acceptance

Returning a completed Entitlement and Acceptance Form or paying your application monies by BPAY® 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; and
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® payment is given in relation to any application monies the application may not be varied or withdrawn except as required by law.

2.8 Shortfall Offer

Any New Unlisted Options which are not allocated to Applicants pursuant to the Offer will form the Shortfall Offer (**Shortfall Options**) and potentially be allocated to other Eligible Optionholders or third parties. 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 Shortfall Offer will only be available where there is a Shortfall between applications received from Registered Holders and the number of New Unlisted Options proposed to be issued under the Offer.

The issue price for each New Unlisted Option to be issued under the Shortfall Offer shall be \$0.005 being the price at which the New Unlisted Options have been offered under the Offer.

Registered Holders or third parties, including new Shareholders, who wish to subscribe for the Shortfall Options above their holding of Expired Options are invited to apply for the Shortfall Options by completing the appropriate section of the Entitlement and Acceptance Form and making payment for such Shortfall Options in accordance with Section 2.6 and 2.6.2 of this Prospectus.

No Related Party (as that term is defined in section 228 of the Corporations Act) will be issued any New Unlisted Options under the Shortfall Offer, or the Offer, except as set out in Section 6.4 of this Prospectus.

Allocation of the Shortfall Options will be at the discretion of the Board. 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 to Shareholders or Registered Holders.

The Company reserves the right to issue a Registered Holder a lesser number of Shortfall Options than applied for or no Shortfall Options at all. If the number of Shortfall Options applied for by a Registered Holder exceeds the total Shortfall,

the Shortfall Options will be allocated among applying Eligible Optionholders or Registered Holders proportionate to their existing holdings.

Mr Peter Rohner will not participate in the Shortfall Offer.

2.9 Underwriting

The Offer is not underwritten.

2.10 ASX listing

The Company will not apply for Official Quotation of the New Unlisted Options offered pursuant to this Prospectus.

2.11 Issue

New Unlisted Options issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Holding statements for the New Unlisted Options issued under the Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

2.12 Overseas Shareholders

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

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

New Zealand

The Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This Offer and the content of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the Offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to the Offer. If you need to make a complaint about the Offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of a financial advice provider.

The Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

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

The Company participates in the Clearing House Electronic Sub-register System (**CHESS**). ASX Settlement Pty Ltd, a wholly owned subsidiary of ASX, operates CHESS. 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 separate statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under 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. Shareholders may request a holding statement at any other time, however a charge may be made for such additional statements.

2.14 Brokerage and Commissions

No brokerage or commission will be payable by Applicants pursuant to the Offer.

2.15 Enquiries

Any questions concerning the Offer should be directed to the Company Secretary on +61 8 9316 9100.

3. PURPOSE AND EFFECT OF THE OFFER

3.1 Purpose of the offer

The primary purpose of the Offer is to reward Expired Option holders for their ongoing commitment and loyalty to the Company.

The New Unlisted Options to be issued pursuant to this Prospectus will be issued for \$0.005 each (i.e. the New Unlisted Options will be listed for nominal cash consideration). Accordingly, the issue of the Options pursuant to this Prospectus will raise \$193,694 less the expenses of the Offer. Funds raised under the Offer after deducting the expenses of the Offer will be allocated for working capital purposes, as set out in the table below.

Please refer to Section 6.7 of this Prospectus for details relating to the estimated expenses of the Offer.

Funds available	The Offer	Percentage
Funds raised from the Offer	\$193,694	100.00%
Allocation of funds		
Expenses of the Offer	\$38,206	19.72%
Working capital	\$155,488	80.28%
Total	\$193,694	100.00%

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) 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 New Unlisted Options offered under the Prospectus are issued, will be to:

- (a) increase the number of Options on issue by up to 38,738,706 Options; and
- (b) increase the cash reserves by \$193,694 (before deducting the estimated expenses of the Offer) immediately after completion of the Offer.

All the Shares issued upon the future exercise of the New Unlisted Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.2 of this Prospectus for further information regarding the rights and liabilities attaching to the Shares.

3.3 Pro-forma balance sheet

The audited balance sheet as at 30 June 2022 and the unaudited pro-forma balance sheet as at 30 June 2022 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 New Unlisted Options are accepted, no Options or convertible 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.

	AUDITED 30 June 2022	PROFORMA Adjustments	PROFORMA 30 June 2022
	\$	\$	\$
CURRENT ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	836,149	155,488	991,637
Trade and other receivables	243,683	-	243,683
Asset held for sale	945,891	-	945,891
Inventory	1,049,947	-	1,049,947
TOTAL CURRENT ASSETS	3,075,670	155,488	3,231,158
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	37,442,813	-	37,442,813
Right of use assets	176,239	-	176,239
Property, plant and equipment	3,533,402	-	3,533,402
Financial assets	1,634,642	-	1,634,642
Bonds and security deposits	9,842,639	-	9,842,639
TOTAL NON-CURRENT ASSETS	52,629,735	-	52,629,735
TOTAL ASSETS	55,705,405	155,488	55,860,893
CURRENT LIABILITIES			
Trade and other payables	(2,914,290)	-	(2,914,290)
Employee leave	(232,018)	-	(232,018)

	AUDITED 30 June 2022	PROFORMA Adjustments	PROFORMA 30 June 2022
	\$	\$	\$
liabilities			
Lease liabilities	(84,033)	-	(84,033)
Borrowings	(32,344)	-	(32,344)
TOTAL CURRENT LIABILITIES	(3,262,685)	-	(3,262,685)
NON-CURRENT LIABILITIES			
Lease liabilities	(97,460)	-	(97,460)
Borrowings	(35,250)	-	(35,250)
Provisions	(13,865,305)	-	(13,865,305)
TOTAL NON-CURRENT LIABILITIES	(13,998,015)	-	(13,998,015)
TOTAL LIABILITIES	(17,260,700)	-	(17,260,700)
NET ASSETS (LIABILITIES)	38,444,705	155,488	38,600,193
EQUITY			
Issued capital	62,217,473	-	62,217,473
Option capital	977,990	(822,502)	155,488
Accumulated losses	(25,523,814)	977,990	(24,545,824)
Share based payment reserve	773,056	-	773,056
TOTAL EQUITY	38,444,705	155,488	38,600,193

3.4 Effect on capital structure

The principal effect of the Offer on the capital structure of the Company, assuming all New Unlisted Options offered under this Prospectus are issued, is set out below.

Shares

	Number
Shares currently on issue	562,765,578
Shares offered pursuant to the Offer	Nil

Total Shares on issue after completion of the Offer	562,765,578
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Convertible Notes

	Number
Convertible notes currently on issue	1 ¹
Convertible notes offered pursuant to the Offer	Nil
Total Convertible notes on issue after completion of the Offer	1

Notes:

- The Company has one (1) convertible note on issue with face a value \$5,000,000 (refer to the Company's ASX announcement dated 24 October 2022 for further information).

Options

	Number
Options currently on issue	
Listed Options exercisable at \$0.11 on or before 6 July 2023	50,567,301
Unlisted Options exercisable at \$0.076 on or before 31 January 2023	1,880,000
Unlisted Options exercisable at \$0.096 on or before 6 April 2023	16,074,152
Unlisted Options exercisable at \$0.21 on or before 14 September 2024	300,000
Unlisted Options exercisable at \$0.18 on or before 11 February 2025	3,900,000
Unlisted Options exercisable at \$0.18 on or before 31 October 2025	855,000
Total Options on issue as at the date of this Prospectus	73,576,453
New Unlisted Options to be issued pursuant to the Offer	38,738,706
Total Options on issue after completion of the Offer¹	112,315,159

Notes:

- Assuming the Offer is fully subscribed and no existing Options on issue are exercised.

Performance Rights

	Number
Performance rights currently on issue	
Performance rights exercisable on or before 26 August 2025	378,262
Performance rights exercisable on or before 31 October 2025	1,185,000
Total Performance Rights on issue as at the date of this Prospectus	1,563,262

	Number
Performance Rights to be issued pursuant to the Offer	Nil
Total Performance Rights on issue after completion of the Offer¹	1,563,262

The capital structure on a fully diluted basis as at the date of this Prospectus would be 637,905,293 Shares (excluding the conversion of the Convertible Note into Shares, as the number of Shares into which it will convert is not known at the date of this Prospectus) and on completion of the Offer (excluding the conversion of the Convertible Note into Shares and assuming all New Unlisted Options offered pursuant to this Prospectus are issued), would be 676,643,999 Shares.

3.5 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	%
Straits Mineral Investment Pty Ltd ¹	33,129,629	5.92%

Notes:

1. Straits Mineral Investment Pty Ltd also held 3,312,963 Expired Options and is therefore entitled to receive one (1) New Unlisted Option for every one (1) Expired Option held under the Offer. If the New Unlisted Options are exercised, the relevant interest of Straits Mineral Investment Pty Ltd may increase by up to a further 0.6% (assuming no other Shares are issued and no other New Unlisted Options are exercised).

4. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

4.1 New Unlisted Options

The following are the terms and conditions of the New Unlisted Options:

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each New Unlisted Options will be \$0.075 (**Exercise Price**).

(c) **Expiry Date**

Each New Unlisted Options will expire at 5:00 pm (WST) on the date which is 24 months from the date of issue (**Expiry Date**). A New Unlisted Options not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

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

Within 15 Business Days after the Exercise Date, the Company will:

- (i) allot and issue the number of shares required under these terms and conditions respect of the number of New Unlisted Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to

ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the New Unlisted Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the New Unlisted Options rank equally with the then issued shares of the Company.

(i) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the New Unlisted Options.

(j) **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.

(k) **Participation in new issue**

There are no participation rights or entitlements inherent in the New Unlisted Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) **Change in exercise price**

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

(m) **Transferability**

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

4.2 Rights and liabilities attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to the Shares 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 Company's constitution permits the use of technology at general meetings of shareholders (including wholly virtual meetings) to the extent permitted under the Corporations Act, 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 upon exercise of the New Unlisted Options 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.

5. RISK FACTORS

5.1 Introduction

The New Unlisted Options offered under this Prospectus are considered speculative and an investment in the Company is not risk free.

The Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for New Unlisted Options pursuant to this Prospectus.

The future performance of the Company and the value of the New Unlisted 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 identified in this Section 5, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

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.

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

5.2 Company specific

Risk Category	Risk
Potential for dilution	Upon implementation of the Offer, assuming all New Unlisted Options are issued, the number of Options in the Company will increase by up to 38,738,706. If the New Unlisted Options are subsequently exercised and Shares are issued on exercise of those Options, each Share will represent a significantly lower proportion of the ownership of the Company. 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. In the future, the Company may elect to issue Securities in connection with fundraisings, including to raise proceeds, to fund further exploration of its projects. While the Company will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital it is able to issue within a 12-month period (other than where exceptions apply), Shareholders may be diluted as a result of such issues

Risk Category	Risk
	of Securities and fundraisings.
Going Concern	The Company's Annual Financial Report for the year ending 30 June 2022 (Financial Report) includes a note on the financial condition of the Company and the possible existence of a material uncertainty about the Company's ability to continue as a going concern. Notwithstanding the 'going concern' emphasis of matter included in the Financial Report, the Directors believe that upon the successful completion of the Offer together with other current and ongoing capital raisings, the Company will have sufficient funds to adequately meet the Company's current exploration commitments and short-term working capital requirements. However, it is highly likely that further funding will be required to meet the ongoing working capital costs of the Company. In the event that the Offer is not completed successfully there is significant uncertainty as to whether the Company can continue as a going concern which is likely to have a material adverse effect on the Company's activities.
Additional requirements for capital	The Company's ongoing activities will require ongoing expenditures. There can be no guarantee that the funds raised by the Company under the Offer and other capital raisings will be sufficient to successfully achieve all the objectives of the Company's overall business strategy. If the Company is unable to continue to use equity to fund expansion after the substantial exhaustion of the Company's existing funds, there can be no assurances that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional funds on terms acceptable to the Company or at all. The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.
Climate Risk	There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include: (a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or

Risk Category	Risk
	environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and (b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.
Environmental risks	Environmental risks are inherent in mining operations. 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. The Board is strongly committed to conducting operations in an environmentally responsible manner. Surface disturbance is kept to a minimum, but where it is necessary, full cognisance is given to the environmental impact of the work to be carried out. Relevant government approvals are obtained and measures are taken to minimise the environmental impact and to ensure that following the activities involved, the land is restored and rehabilitated to as close as possible to its original condition. The Board is not aware of any complaints about the Company's environmental practices or impacts of its activities from owners of land on which the Company has operated or from any relevant Government officers or agencies with regulatory responsibility.
Coronavirus (COVID-19) – Outbreak risk	The coronavirus disease (COVID-19) is continuing to impact global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

Risk Category	Risk
	The Directors are continuing to monitor the situation and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. In compliance with its continuous disclosure obligations, the Company will continue to update the market in regard to the impact of COVID-19 on its revenue channels and any adverse impact on the Company. If any of these impacts appear material prior to close of the Offer, the Company will notify investors under a supplementary prospectus.
Exploration Risk	The mineral exploration licences comprising the Company's projects are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that 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.
Tenure and Title Risk	Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for tenements will be approved in full or at all. In addition, interests in tenements in Australia are governed by the respective State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments. The Company's tenements currently, or may in the future, comprise a number of pending tenement applications. Whilst the Company's view is that the risk pending applications are not granted is low, if those applications were not to be granted, then there is a risk that the Company cannot commence its operations in respect of a project area that is covered by the relevant application, and that the value of the project is correspondingly diminished. If/once granted, the pending applications will be covered by the relevant access agreements.
New projects	To achieve the Company's objectives, the Company may acquire or invest in new projects from time to time. However, there is always risk that the Company

Risk Category	Risk
	may not be successful in negotiating for an acquisition of a new project. Any new projects will also be subject to their own inherent and specific risks.
Development Risk/Profitability	The Company's commercial viability will be dependent upon the successful development and operation of the Company's projects. No assurances can be given that the Company will be able to initiate or sustain successful mining operations at any of the Company's current tenements or that operations will achieve commercial viability. Equally, no representation as to future profitability or dividends can be given.
Production and cost estimates	By their very nature, production and cost estimates and assumptions are inherently subject to significant uncertainties. Actual results may materially differ from the Company's estimates and assumptions and may materially and adversely affect the Company's commercial viability and future results.
Access and infrastructure risk	Access on and to tenements may be subject to the availability of appropriate infrastructure or the consent of third parties. There is no guarantee that agreement can be reached with interested third parties or that the necessary infrastructure required to access or develop the tenements will be available or viable.
Reliance on key personnel	The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.
Reliance on joint venture partners	The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party.
Commodity and Currency Price Volatility	Commodity prices are subject to influencing factors beyond the control of the Company and can be subject to significant fluctuations. Some of these influencing factors include: (a) the COVID-19 pandemic; (b) world demand for particular commodities; (c) the level of production costs in major commodity producing regions; and (d) expectations regarding inflation, interest rates and US dollar exchange rates. Any significant and/or sustained fluctuation in exchange rates or commodity prices could have a materially adverse effect on the Company's operations and financial position.

Risk Category	Risk
	Factors affecting commodity prices include: (a) supply and demand fluctuations for specific commodities; (b) changes in investor sentiment toward specific commodities; (c) speculative trading; (d) forward selling activities; and (e) macro-economic factors such as inflation and interest rates.
Ore Reserves and Mineral Resources Estimates	Should the Company define an ore reserve and/or mineral resource on any of its projects, they will be estimates that are expressions of judgment based on knowledge, experience and industry practice, and may require revision on actual production experience.

5.3 Industry specific

Risk Category	Risk
Environmental Regulation	The Company's operations are subject to national and international laws and regulations due to those operations involving environmentally hazardous activities. These laws and regulations set various standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to remediate current and former facilities and locations where operations are or were conducted. Significant liability could be imposed on the Company for environmental damage caused by the Company or previous owners of the Company's tenements, including damages, clean-up costs and penalties for non-compliance with environmental laws or regulations. The Company proposes to minimise these risks by conducting its activities in an environmentally responsible manner, in accordance with applicable laws and regulations and where possible, by carrying appropriate insurance coverage. No assurance can however be given that environmental damage will not occur from time to time through the Company's operations.
Occupational health and safety	There is an inherent risk of workplace accidents occurring during the conduct of mining activity. The Company is committed to providing a safe and healthy workplace for the Company's employees and contractors, where engaged from time to time. Hazardous activities are avoided wherever possible, but when necessary, all employees and contractors are required to conduct themselves in accordance with all applicable laws and policies in force from time

Risk Category	Risk
	to time in respect of occupational health and safety.
Mining risks	Mining is subject to inherent risks and is dependent upon a number of conditions beyond the control of the Company that can affect the costs and production schedules at particular mines. These risks and conditions include, but are not limited to: (a) variations in geological conditions, such as the grade and thickness of the mineralisation and variations in rock and other natural materials overlying the mineral deposit; (b) mining, process and equipment or mechanical failures and unexpected maintenance problems; (c) adverse weather and natural disasters, such as heavy rains, flooding and other natural events affecting the operations, transportation or customers; (d) environmental hazards, such as subsidence and excess water ingress; (e) delays and difficulties in acquiring, maintaining or renewing necessary permits or mining rights; (f) availability of adequate skilled employees and other labor relations matters; (g) unexpected mine accidents, including rock-falls and explosions caused by natural gas or other explosive sources at our mine sites or fires caused by similar mining accidents; and (h) competition and/or conflicts with other natural resource extraction activities and production within our operating areas. These risks and conditions could result in damage to or the destruction of the Company's mineral properties or production facilities, personal injury or death, environmental damage, delays in mining, monetary losses and legal liability. The Company's insurance coverage may not be available or sufficient to fully cover claims that may arise from these risks and conditions.
Operational Risks	The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, insufficient or unreliable infrastructure such as power, water and transport, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents,

Risk Category	Risk
	industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment. Consequently, and while the Directors will make every effort to reduce the above risks through their experience in the exploration and mining industry, there can be no assurance that the Company will be able to develop and commercialise mineral extraction from its tenements and generate positive cashflow to sustain the Company's financial viability. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.
Native Title Risk	It is possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If/where native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant native title claimant), or to progress from the exploration phase to the development and mining phases of operations may be affected.
Uninsured Loss and Liability	Exploration for and development of minerals involves hazards and risks that could result in the Company incurring losses and liabilities to third parties. There is a risk that the Company may not be insured against all losses or liabilities that could arise from the Company's operations. If the Company incurs losses or liabilities which are not covered by the Company's insurance policies, the funds available for exploration and development will be reduced and the value and/or tenure of the Company's assets may be at risk.
Insurance	The Company intends to insure 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. Insurance of all risks associated with mineral exploration and production is not always available and where available the costs can be prohibitive.

5.4 General risks

Risk Category	Risk
Economic	General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.
Market conditions	Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as: (a) general economic outlook; (b) introduction of tax reform or other new legislation; (c) interest rates and inflation rates; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; and (f) terrorism or other hostilities. The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company. In addition, the extent of the effects of COVID-19 is at this stage uncertain and continuing to evolve. The COVID-19 pandemic is having, and is expected to continue to have, a significant influence on the volatility of equity markets generally and may continue to impact and influence the value of the Company's quoted securities.
Litigation risks	The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. All industries, including the mining industry, are subject to legal claims, with and without merit. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company is or may become subject to, could have a material effect on the Company's operations, financial position, and the value

Risk Category	Risk
	of the Company's securities. The Company is not currently engaged in any litigation.
Dividends	Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.
Commodity price volatility	Should the Company enter production, substantially all the Company's revenues and cash flows will be derived from the sale of Copper and Gold concentrates. Therefore, the financial performance of the Company would be exposed to fluctuations in the price of these commodities. Historically, the price of these commodities has fluctuated widely and has experienced periods of significant decline. The price of these commodities is affected by numerous factors and events that are beyond the control of the Company. These factors and events include general economic activity, world demand, forward selling activity as well as general global economic conditions and political trends.
Taxation Risks	The Company is subject to Australian tax legislation, practice and interpretation. Any change in the Company's tax status or the tax applicable to the Company's securities through taxation legislation or its interpretation, could affect the value of the investments held by the Company, its ability to provide returns to Shareholders, or alter the post-tax returns to Shareholders. Information relating to the taxation of the Company and its investors is based upon current tax law and practice which is subject to legislative change. Furthermore, the taxation of an investment in the Company depends on the individual circumstances of investors. Changes in the tax laws of Australia could have a material adverse effect on the Company. There can be no assurance that the Company will be able to make returns for Shareholders in a tax-efficient manner. The Company has made certain assumptions regarding taxation in establishing its corporate structure, the ongoing management of its taxation affairs and compliance with taxation legislation within the jurisdictions in which the Company operates. If these assumptions are not correct, taxes may be imposed with respect to the Company's assets, or the Company may be subject to tax on its income, profits, gains or distributions (including on a liquidation and dissolution or

Risk Category	Risk
	otherwise) in a particular jurisdiction or jurisdictions in excess of taxes that were anticipated. This could alter the level of returns and/or adversely affect the quantum of post-tax returns for Shareholders (or Shareholders in certain jurisdictions). Any change in laws or tax authority practices could also adversely affect any post-tax returns of capital to Shareholders or payments of dividends. In addition, the Company may incur costs in taking steps to mitigate any such adverse effects on the returns for Shareholders.
Regulatory	The Company's activities will require compliance with various laws relating to the protection and rehabilitation of the environment, health and safety, culture and heritage and other matters. In addition, the Company is required to obtain numerous government permits, leases, licences and approvals in respect of our exploration and mining operations. There is a risk that the Company may not obtain or may lose permits, leases, licences or approvals, essential to its operations. The Company cannot predict how existing, or future laws and regulations may be interpreted by enforcement agencies or court rulings, whether additional laws and regulations will be adopted, or the effect such changes may have on the Company's business or financial condition.
Ukraine conflict	The current conflict between Ukraine and Russia (Ukraine Conflict) is impacting global economies and financial markets. The nature and extent of the effect the Ukraine Conflict may have on the Company's operations remains uncertain at this time. In the short to medium term, the Company's Share price may be adversely affected by the economic uncertainty caused by the Ukraine Conflict and the wider effect the conflict has on global economies and financial markets. The Company is monitoring the situation closely and considers the impact of the Ukraine Conflict on the Company's business and financial performance to, at this stage, be limited. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.
Unforeseen Expenses	The proposed expenditure on the Company's projects may be adversely affected by any unforeseen expenses which arise in the future and which have not been considered in this Prospectus. While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were incurred, the expenditure proposals of the Company may be adversely affected.

5.5 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Unlisted Options offered under this Prospectus

Therefore, the New Unlisted Options to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Unlisted Options.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Unlisted Options pursuant to this Prospectus.

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

This Prospectus is a "transaction specific prospectus". In general terms a "transaction specific prospectus" 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.

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 3 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.

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 report on 28 October 2022 and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
5 December 2022	Change of Director Interest Notices (x2)
5 December 2022	Notification Regarding Quoted Securities - GBZ
5 December 2022	Cancellation of Expired Options
5 December 2022	Application for quotation of securities – GBZ
5 December 2022	Application for quotation of securities – GBZ
5 December 2022	Issue of Shares and Cleansing Notice
5 December 2022	Twin Hills Gold Project Upgrades to 1Moz Mineral Resource
2 December 2022	Amended Constitution
2 December 2022	Notification Regarding Unquoted Securities - GBZ
2 December 2022	Issue of Options
1 December 2022	Final Director's Interest Notice
30 November 2022	Results of Annual General Meeting
30 November 2022	AGM Presentation
29 November 2022	Resignation of Director
21 November 2022	Malmsbury Project Exploration Update - Amended
21 November 2022	Malmsbury Project Exploration Update
11 November 2022	Noosa Mining Conference Presentation
31 October 2022	Quarterly Activities Report and Appendix 5B
28 October 2022	Corporate Governance Statement and Appendix 4G

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

The announcements are also available through the Company's website www.gbmr.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	\$0.16	5 April 2022
Lowest	\$0.033	28 September 2022
Last	\$0.040	8 December 2022

6.4 Interests of Directors

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

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

Interest in Securities as at the date of this Prospectus

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below:

Director	Shares	Options
Peter Mullens	14,773,334	200,000
Peter Rohner	16,859,379	8,456,144
Sunny Loh	6,688,738	Nil
Peter Thompson	7,011,467	Nil

Interest in Securities following completion of the Offer

The relevant interest of each of the Directors in the securities of the Company following completion of the Offer is set out in the table below:

Director	Shares	Options
Peter Mullens	14,773,334	200,000
Peter Rohner	16,859,379	8,516,301 ¹
Sunny Loh	6,688,738	Nil
Peter Thompson	7,011,467	Nil

Notes:

1. Mr Rohner has advised the Company of his intention to subscribe for 60,157 New Unlisted Options under the Offer on a 1:1 basis with his holdings of Expired Options. The Company obtained Shareholder approval for Mr Rohner's participation in the Offer at the Company's Annual General Meeting held on 30 November 2022. Mr Rohner will not participate in the Shortfall Offer.

Remuneration

Details of the Directors' remuneration for the previous completed and the current financial year (on an annualised basis) are set out in the table below:

Director	Remuneration for year ended 30 June 2021 (Actual)	Remuneration for year ended 30 June 2022 (Actual)	Remuneration for the current financial year (Proposed)
Peter Mullens	\$180,000 ¹	\$141,411 ¹	\$52,000 ¹
Peter Rohner	\$250,000 ¹	\$251,141 ¹	\$219,000 ¹
Sunny Loh	\$48,000	\$48,000	\$48,000
Peter Thompson	\$195,315 ¹	\$92,400 ¹	\$92,820 ¹
Brent Cook ²	\$73,328	\$48,000	\$20,000
Neil Norris ³	\$102,995 ¹	Nil	Nil

Notes:

1. Comprising a base salary and superannuation payments.
2. Mr Cook was appointed as Director on 17 September 2020 and resigned as Director 30 November 2022.
3. Mr Norris resigned as Director on 17 September 2020.

6.5 Interests of experts and advisers

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

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

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

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the 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 \$10,000 (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 \$125,379 (including GST and disbursements) for legal services provided to the Company.

6.6 Consents

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

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

6.7 Expenses of the Offer

In the event that all Entitlements are accepted, the total expenses of the Offer is estimated to be approximately \$38,206 (excluding GST) and are expected to be applied towards the items set out in the table.

	\$
ASIC fees	\$3,206
Legal fees	\$10,000
Printing and distribution	\$20,000
Miscellaneous	\$5,000
Total	\$38,206

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.

A handwritten signature in black ink, appearing to read 'Peter Rohner', is positioned above a horizontal line.

Peter Rohner
Managing Director
For and on behalf of
GBM Resources Limited

8. GLOSSARY

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

Applicant means, in relation to the Offer, a person who submits an Entitlement and Acceptance Form or makes an electronic payment.

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 the commencement of this Prospectus (unless extended).

Company means GBM Resources Limited (ACN 124 752 745).

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

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

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

Eligible Optionholders means an Optionholder as at the Record Date who is entitled to participate in the Offer.

Eligibility Date means 4.59pm (WST) on 30 November 2022, being the Record Date for determining eligibility for New Unlisted Options.

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.

Expired Option has the meaning given to it in Section 2.1 of this Prospectus.

Expired Option holder means the registered holder of an Expired Option as at the Eligibility Date.

New Unlisted Options means an Option issued under this Prospectus on the terms and conditions set out in Section 4 of this Prospectus.

Offer means the offer made under this Prospectus of up to 38,738,706 New Unlisted Options.

Official Quotation means official quotation on ASX.

Opening Date means the date specified in the timetable set out at the commencement of this Prospectus.

Option means an option to subscribe for a Share.

Optionholder means the holder of an Option.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Register means the register of Shareholders and Optionholders.

Registered Holder means an Expired Option holder whose details appear on the Register as at the Eligibility Date with a registered address in Australia or New Zealand who are eligible under all applicable securities laws to receive an offer under the Offer.

Securities means Shares and Options.

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

Shareholder means a holder of a Share.

Shortfall means the New Unlisted Options not applied for under the Offer (if any).

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

Shortfall Options means those New Unlisted Options 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.