

Lode Resources Limited
ACN 637 512 415
Prospectus

THIS PROSPECTUS IS BEING ISSUED UNDER SECTION 713 OF THE CORPORATIONS ACT FOR AN OFFER OF UP TO 8,330,500 NEW OPTIONS TO THE PLACEMENT PARTICIPANTS AND THE LEAD MANAGER

THIS OFFER CLOSURES AT 5.00PM AEDT ON THURSDAY, 25 AUGUST 2022
VALID APPLICATIONS MUST BE RECEIVED BEFORE THAT TIME
PLEASE READ THE INSTRUCTIONS IN THIS PROSPECTUS AND ON THE ACCOMPANYING APPLICATION FORM PRIOR TO APPLYING FOR NEW OPTIONS UNDER THE OFFER

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY
THE NEW OPTIONS OFFERED BY THIS PROSPECTUS ARE OF A SPECULATIVE NATURE. IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY

CORPORATE DIRECTORY

Directors

Andrew Mark Van Heyst (Executive Chairman)
Edward Jan Leschke (Managing Director)
Jason Michael Beckton (Non-Executive Director)
Keith Anthony Mayes (Non-Executive Director)

Company Secretary

Marcelo Mora

Registered and Corporate Office

Level 30, 264-278 George Street
Sydney NSW 2000

Share Registry

Advanced Share Registry Services Limited
110 Stirling Highway
Nedlands WA 6009

Auditor

PKF (NS) Audit and Assurance Limited Partnership
Level 8, 1 O'Connell Street
Sydney NSW 2000

Solicitor

Thomson Geer
Level 14, 60 Martin Place
Sydney NSW 2000

Stock Exchange Listing

ASX Code: LDR

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IMPORTANT INFORMATION

This Prospectus is dated Friday, 19 August 2022. A copy of the Prospectus was lodged with ASIC on that date. ASIC and ASX take no responsibility for the contents of this Prospectus. No Options will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

A copy of this Prospectus is available for inspection at the registered office of the Company at **Level 30, 264-278 George Street, Sydney, NSW, AUSTRALIA, 2000** during normal business hours. The Company will also provide copies of other documents on request (see Section 4.4).

The Company will apply to ASX within seven (7) days of the date of this Prospectus for Official Quotation by ASX of the Options offered by this Prospectus; however, the Company does not guarantee that the Options will be admitted for Official Quotation by ASX or that the Options will be able to be traded on the Official List of ASX.

Applications for Options will only be accepted on an Application Form which is attached to, or provided by the Company with, a copy of this Prospectus. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by a complete and unaltered copy of this Prospectus.

The Company is a disclosing entity listed on the Official List of ASX and this Prospectus is a transaction specific prospectus issued under section 713 of the Corporations Act in reliance on information previously disclosed to ASX by the Company. It does not contain, by itself, all information that would be contained in a prospectus for an initial public offering or all information relevant to a decision to invest in the Company.

No person is authorised to give any information or to make any representation in connection with the Offer 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 the Offer.

No action has been taken to permit the Offer of Options under this Prospectus in any jurisdiction other than Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Options in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

This document is important and should be read in its entirety before deciding to participate in the Offer. This does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to their particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult their stockbroker, solicitor, accountant or other professional adviser without delay. The Options offered by this Prospectus should be considered speculative. Please refer to Section 2 for details relating to investment risks.

By returning an Application Form, you acknowledge that you have received and read this Prospectus and you have acted in accordance with the terms of the Offer detailed in this Prospectus.

Definitions of certain terms used in this Prospectus are contained in Section 6. All references to currency are to Australian dollars and all references to time are to AEDT, unless otherwise indicated.

1 Details of the Offer

1.1 Background to the Offer

As announced on 17 August 2022 the Company intends to complete a placement of up to 11,661,000 Shares (**Placement Shares**), each at an issue price of \$0.14, to raise up to \$1,632,540 (before costs) (**Placement**).

In connection with the Placement, the Company proposes to issue:

- (a) to the lead manager for the Placement, DealAccess Pty Ltd (**Lead Manager**) 2,500,000 Options; and
- (b) to those persons who participated in the Placement (**Placement Participants**) up to 5,830,500 Options, being one (1) free-attaching Option for every two (2) Placement Shares subscribed for by that Placement Participant,

being a total of up to 8,330,500 Options (**New Options**) (**Offer**).

1.2 The Offer

Under this Prospectus, the Company is offering the Lead Manager and the Placement Participants the opportunity to apply for the New Options. Each New Option has a nil issue price and an exercise price of \$0.24 per Option. Section 4.1 contains a summary of the rights attaching to the Options. Each Option entitles the holder to be issued one Share on exercise of that Option. Section 4.2 contains a summary of the rights attaching to the underlying Shares.

Subject to the quotation requirements of the ASX Listing Rules, if the Options are listed on the Official List of ASX, the Options issued under this Prospectus will form a new class of listed securities of the Company. The Company does not guarantee that the Options will be admitted for Official Quotation by ASX or that the Options will be able to be traded on the Official List of ASX.

There is no minimum amount sought to be raised by the Offer. There is no provision for oversubscriptions.

The Offer is not underwritten.

The New Options are being issued to either "sophisticated investors" or "professional investors" within the meaning of sections 708(8), 708(10) and 708(11) of the Corporations Act. The Company is precluded from issuing a cleansing notice in respect of the New Options as they are not in a class of securities that were quoted securities at all times in the last three months. Consequently, the Company must issue the New Options under this Prospectus. This Prospectus has also been issued to facilitate secondary trading of the New Options and any Shares issued upon exercise of the New Options.

The Company is not issuing the New Options with the purpose of the persons to whom they are being issued selling or transferring their New Options, or granting, issuing or transferring interests in those New Options within 12 months of the issue; however, this Prospectus provides them with the ability to do so should they wish.

Accordingly, the purpose of this Prospectus is to:

- (a) make the Offer; and
- (b) facilitate secondary trading of the New Options issued upon exercise of the New Options.

1.3 Timetable

The proposed timetable for the Offer is set out below:

Event	Date
Lodgement of Prospectus with ASIC and ASX	Friday, 19 August 2022
Opening Date of the Offer	Monday, 22 August 2022
Closing Date of the Offer	Thursday, 25 August 2022
Allotment of New Options	Friday, 26 August 2022
Despatch of holding statements in respect of the Offer	Friday, 26 August 2022
If ASX agrees to admit the New Options for Official Quotation, expected date for Official Quotation of the New Options	Friday, 26 August 2022

These dates are indicative only and are subject to change. The Company reserves the right, subject to the Corporations Act, the ASX Listing Rules and other applicable laws, to vary the dates, including by extending the Closing Date. As such, the date the New Options are expected to commence trading on ASX may vary. The Company does not guarantee that the Options will be admitted for Official Quotation by ASX or that the Options will be able to be traded on the Official List of ASX. As such, the New Options may not commence trading on ASX at all.

1.4 Application for Options

As noted above, the Offer will only be extended to the Lead Manager and the Placement Participants. Application Forms will only be provided by the Company to the Lead Manager and the Placement Participants.

If you receive an Application Form from the Company and wish to subscribe for New Options pursuant to the Offer, you must complete and return the Application Form in accordance with the instructions in the Application Form. Completed Application Forms must be received by the Company prior to 5.00pm AEDT on the Closing Date. Application Forms should be sent to either:

(a) DealAccess Pty Ltd

Address: Level 29, 360 Collins Street, Melbourne VIC 3000; or

Email: corporate@pacpartners.com.au;

(b) Advanced Share Registry Limited

Address: 110 Stirling Highway, Nedlands WA 6009.

Email: marcelo@loderesources.com

Although no amount is payable for your New Options, you must return your personalised Application Form to the Company in order to receive your New Options.

If you are in doubt as to the course of action, you should consult your professional advisor.

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of New Options accepted by the Company. The Application Form does not need to be signed to be a binding application for New Options.

If the Application Form is not completed correctly, it may still be treated as valid. The Directors' decision as to whether to treat the Application Form as valid and how to construe, amend or complete the Application Form is final.

1.5 **Application monies**

The New Options are being issued at a nil issue price and, as such, no money is payable by the Lead Manager or the Placement Participants to acquire New Options.

1.6 **Issue of Options**

The Company will issue the New Options as soon as possible after the Closing Date.

Holding statements will be dispatched as soon as possible after the issue of the New Options.

It is the responsibility of Applicants to determine their allocation prior to trading in the New Options. Applicants who sell New Options before they receive their holding statements do so at their own risk.

1.7 **ASX quotation**

An application will be made to ASX no later than seven (7) days after the date of this Prospectus for the Official Quotation of the New Options offered under the Offer; however, the Company does not guarantee that the New Options will be admitted for Official Quotation by ASX or that the New Options will be able to be traded on the Official List of ASX. The New Options will only be admitted to Official Quotation if the quotation requirements under the ASX Listing Rules are satisfied. If permission is not granted by ASX for the Official Quotation of the New Options offered by this Prospectus within three (3) months after the date of this Prospectus (or such period as ASIC and ASX allow), the Options will be issued but will be unlisted. The fact that ASX may grant official quotation for the New Options is not to be taken in any way as an indication of the merits of the Company or the New Options offered under this Prospectus.

1.8 **CHESS**

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASTC, a wholly owned subsidiary of ASX, operates CHESS in accordance with the ASX Listing Rules and Securities Clearing House Business Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Options. If you are broker sponsored, ASTC will send you a CHESS statement.

The CHESS statement will set out the number of Options issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Options.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by Advanced Share Registry Services and will contain the number of Options issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to securityholders at the end of any calendar month during which the balance of their securityholding changes. Securityholders may request a statement at any other time; however, a charge may be made for additional statements.

1.9 Residents outside Australia

This Prospectus, and the accompanying Application Form, do not, and are not intended to, constitute an offer of Options 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 or the Options. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

1.10 Risk factors

An investment in Options should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are set out in Section 2.

1.11 Taxation implications

The Directors do not consider it appropriate to give investors advice regarding the taxation consequences of subscribing for Options under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to investors. As a result, investors should consult their professional tax advisers in connection with subscribing for Options under this Prospectus.

1.12 Major activities and financial information

A summary of the major activities and financial information relating to the Company for the half year ended 31 December 2021 is in the Half Yearly Report which was lodged with ASX on 9 March 2022 and is available at www.asx.com.au.

The Company's continuous disclosure notices filed with ASX (**ASX Announcements**) since 9 March 2022 are listed in Section 4.4.

Copies of these ASX Announcements are available free of charge from the Company. The Company's Directors strongly recommend that investors review these and all other announcements made by the Company on ASX prior to deciding whether or not to participate in the Offer.

1.13 Enquiries concerning Prospectus

Enquiries relating to this Prospectus should be directed to the Managing Director on 0419 212 900 or Company Secretary by telephone on 0435 010 149.

1.14 **Privacy**

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Company's share registry, related bodies corporate, agents, contractors and third-party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application Form. An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

1.15 **Electronic Prospectus**

The Company is proposing to distribute this Prospectus to the persons who are eligible to participate in the Offer, being the Lead Manager and Placement Participants, electronically. Any of those persons may also obtain a paper copy of this Prospectus free of charge by contacting the Company.

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

2 **Risk factors**

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

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which investors need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Investors should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

2.1 **Specific risks associated with the Company**

Investors should be aware of the risks specific to an investment in the Company. The specific risks are described below.

(a) **Exploration and evaluation risk**

The future value of the Company will depend on its ability to find and develop resources that are economically recoverable within the Company's tenements. Mineral exploration and development is inherently highly speculative and involves a significant degree of risk. There is no guarantee that economic

mineralisation will be found, and if found, that it will be economic to extract these resources or that there will be commercial opportunities available to monetise these resources. The circumstances in which a mineral deposit becomes or remains commercially viable depends on a number of factors. These include the particular attributes of the deposits, such as size, grade, metallurgy, strip ratios and proximity to infrastructure as well as external factors such as supply and demand. This, along with other factors such as maintaining title to tenements and consents, successfully design construction, commissioning and operating of projects and processing facilities may result in projects not being developed, or operations becoming unprofitable.

Furthermore, while the Company has confidence in its existing projects, should those projects not prove profitable and the Company is unable to secure new exploration areas and resources, there could be a material adverse effect on the Company's prospects for resource exploration and its success in the future.

(b) **Reserves and resource estimates**

Mineral resource estimates are expressions of judgment based on knowledge, experience and industry practice. These estimates are imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate and require adjustment or, even if valid when originally calculated, may alter significantly when new information or techniques become available. As further information becomes available through additional drilling and analysis the estimates are likely to change. Any adjustments to mineral resource estimates could affect the Company's exploration and development plans which may, in turn, affect the Company's performance.

(c) **No history of production**

The Company's properties are at the exploration stage only. The Company has never had any direct material interest in mineral producing properties. There is no assurance that commercial quantities of the metals mined at the various properties will be discovered at any of the properties of the Company or any future properties, nor is there any assurance that the exploration or development programs of the Company thereon will yield any positive results. Even if commercial quantities of a metals are discovered, there can be no assurance that any property of the Company will ever be brought to a stage where the metal can profitably be produced. Factors which may limit the ability of the Company to produce a metal from its properties include, but are not limited to, commodity prices, availability of additional capital and financing and the nature of any metal deposits.

(d) **Commercialisation, infrastructure access and contractual risks**

The Company's potential future earnings, profitability, and growth are likely to be dependent upon it being able to successfully implement some or all of its commercialisation plans, being to find and develop resources. The ability for the Company to do so is further dependent upon a number of factors, including matters which may be beyond the control of the Company. The Company may not be successful in securing identified customers or market opportunities.

The Company is a party to various contracts, including from time-to-time short-term contracts with various contractors such as drilling and geophysical service providers. Whilst the Company will have various contractual rights in the event of non-compliance by a contracting party, no assurance can be

given that all contracts to which the Company is a party will be fully performed by all contracting parties. Additionally, no assurance can be given that if a contracting party does not comply with any contractual provisions, that the Company will be successful in securing compliance.

(e) **Environmental risks**

The Company's operations and projects are subject to the laws and regulations of all jurisdictions in which it has interests and carries on business, regarding environmental compliance and relevant hazards.

These laws and regulations set standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violation of such standards. These laws and regulations also establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted.

As with most exploration projects operations, the Company's activities are expected to have an impact on the environment. Significant liability could be imposed on the Company for damages, clean-up costs, or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of property acquired by the Company, or non-compliance with environmental laws or regulations. It is the Company's intention to minimise this risk by conducting its activities to the highest standard of environmental obligation, including compliance with all environmental laws and where possible, by carrying appropriate insurance coverage.

There is also a risk that the environmental laws and regulations may become more onerous, making the Company's operations more expensive. Amendments to current laws, regulations, policies and permits governing operations, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new properties.

(f) **Tenement risks**

The rights to mineral tenements carry with them various obligations which the holder is required to comply with in order to ensure the continued good standing of the tenement and, specifically, obligations in regard to minimum expenditure levels and responsibilities in respect of the environment, community and safety. Failure to observe these requirements could prejudice the right to maintain title to a given area and result in government action to forfeit a tenement or tenements.

There is no guarantee that future tenement applications or existing tenement renewals will be granted, that they will be granted without undue delay, or that the Company can economically comply with any conditions imposed on any granted exploration tenements.

(g) **Title risk**

The exploration licences in which the Company has now, or may, in the future, acquire an interest, are subject to the applicable local laws and regulations. There is no guarantee that any licences, applications or conversions in which

the Company has a current or potential interest will be granted or ministerial approvals for the transfer of the relevant tenements obtained.

All of the projects in which the Company has an interest will be subject to application for licence renewal from time to time. Renewal of the term of each licence is subject to applicable legislation. If the licence is not renewed for any reason, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that licence. Although the Company has taken steps to verify the title to the resource properties in which it has or has a right to acquire an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title. Title to resource properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or other stakeholder rights.

(h) **Native Title**

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 native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

(i) **Changes in commodity price**

The Company's possible future revenues may be derived mainly from gold, silver and base metals and/or from royalties gained from potential joint ventures or other arrangements.

Consequently, the Company's potential future earnings will likely be closely related to the price of gold, silver and base metals.

Gold, silver and base metal prices fluctuate and are affected by numerous industry factors including demand for the resource, forward selling by producers, production cost levels in major producing regions and macroeconomic factors, e.g. inflation, interest rates, currency exchange rates and global and regional demand for, and supply of, gold, silver and base metals. If the Company is producing gold, silver and base metal and the market price of gold, silver and base metals were to fall below the costs of production and remain at such a level for any sustained period, the Company would experience losses and may have to curtail or suspend some or all of its proposed activities. In such circumstances, the Company would also have to assess the economic impact of any sustained lower commodity prices on recoverability.

(j) **Operational risk**

If the Company decides to expand its operations into gold, silver and base metals production in the future, the operations of the Company including exploration and processing may be affected by a range of factors. These include failure to achieve the predicted grade in exploration, processing, technical difficulties encountered in commissioning and operating plant and equipment, mechanical failure, problems which affect extraction rates and costs, adverse weather conditions, industrial and environmental accidents, industrial disputes, unexpected shortages or increase in the costs of consumables, spare parts, plant and equipment.

(k) **Sustainability of growth and margins**

The sustainability of growth and the level of profit margins from operations are dependent on a number of factors outside of the Company's control. Industry margins in the gold, silver and base metals sectors are likely to be subject to continuing but varying pressures, including competition from other current or potential suppliers.

(l) **Failure to satisfy expenditure commitments and licence conditions**

Interests in tenements in New South Wales are governed by the mining acts and regulations that are current in Queensland 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 the tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

(m) **Mine development**

Possible future development of a mining operation at any of the Company's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement hazardous weather conditions and fires, explosions, pandemics or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects and treatment of ore.

(n) **Competition**

The Company will compete with other companies, including major, domestic and international gold, silver and base metals companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company can compete effectively with these companies.

(o) **Financing**

The Company has finite financial resources and no cash flow from producing assets and therefore will likely require additional financing in order to carry out its exploration and development activities.

The Company's ability to effectively implement its business strategy over time may depend in part on its ability to raise additional funds. There can be no assurance that any such equity or debt funding will be available to the

Company on favourable terms or at all. Failure to obtain appropriate financing on a timely basis could cause the Company to have an impaired ability to expend the capital necessary to undertake or complete drilling programs, forfeit its exploration interests in certain properties, and reduce or terminate its operations entirely. If the Company raises additional funds through the issue of equity securities, this may result in dilution to the existing shareholders and/or a change of control at the Company.

(p) **Management actions**

The success of the Company is currently largely dependent on the performance of its directors and management personnel.

Directors of the Company will, to the best of their knowledge, experience and ability (in conjunction with their management) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability for the same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its security. There is no assurance that the Company can maintain the services of its directors and management personnel or other qualified personnel required to operate its business. The loss of the services of these persons could have a material adverse effect on the Company and its prospects.

(q) **Exchange rate risk**

The revenues, earnings, assets and liabilities of the Company may be exposed adversely to exchange rate fluctuations. The Company's revenue may be denominated in Australian Dollars or a foreign currency, such as United States Dollars. As a result, fluctuations in exchange rates could result in unanticipated and material fluctuations in the financial results of the Company.

(r) **Industrial risk**

Industrial disruptions, work stoppages and accidents in the course of the Company's operations could result in losses and delays, which may adversely affect tenement development and profitability.

(s) **Insurance arrangements**

The Company intends to ensure that insurance is maintained within ranges of coverage that the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. No assurance, however, can be given that the Company will be able to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims.

Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration, development and production activities is not generally available to the Company on acceptable terms. The Company might also become subject to liability for pollution or other hazards that may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

(t) **Land access risk**

Land access is critical for exploration and evaluation to succeed. In all cases the acquisition of prospective tenements is a competitive business, in which propriety knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential.

Access to land for exploration purposes can be affected by small non-mechanised mining operations or land ownership, including registered and unregistered land interests and regulatory requirements within the jurisdiction where the Company operates.

(u) **Government policy**

Changes in relevant foreign investment, taxation, interest rates, other legal, legislative and administrative regimes, and government policies in New South Wales or at the federal level, may have an adverse effect on both the nature and extent of permitted investment by foreign investors and the assets, operations and ultimately the financial performance of the Company. These factors may ultimately affect the level of foreign investment in the Company and the financial performance of the Company and the market price of its securities.

In addition to the normal level of income tax imposed on all industries, the Company may be required to pay government royalties, indirect taxes, GST and other imposts which generally relate to revenue or cash flows. Industry profitability can be affected by changes in government taxation policies.

Changing attitudes to environmental, land care, cultural heritage, together with the nature of the political process, provide the possibility for future policy changes in New South Wales and, potentially, other jurisdictions. There is a risk that such changes may affect the Company's exploration plans or, indeed, its rights and/or obligations with respect to the tenements.

(v) **Reliance on key personnel**

Whilst the Company has just a few executives and senior personnel, its progress in pursuing its exploration and evaluation programmes within the time frames and within the costs structure as currently envisaged could be dramatically influenced by the loss of existing key personnel or a failure to secure and retain additional key personnel as the Company's exploration programme develops. The resulting impact from such loss would be dependent upon the quality and timing of the employee's replacement.

Although the key personnel of the Company have a considerable amount of experience and have previously been successful in their pursuits of acquiring, exploring and evaluating resources projects, there is no guarantee or assurance that it will be successful in its objectives pursuant to this Prospectus.

(w) **Grant of future authorisations to explore and mine**

If the Company discovers an economically viable mineral deposit that it then intends to develop, it will, among other things, require various approvals, licences and permits before it will be able to mine the deposit.

There is no guarantee that the Company will be able to obtain all required approvals, licences and permits. To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected.

(x) COVID-19 impact risk

The global economic outlook is facing uncertainty due to the current COVID-19 (Novel Coronavirus) pandemic, which has been having, and is likely to continue to have, a significant impact on global capital markets, the gold price and foreign exchange rates.

While to date COVID-19 has not had any material impact on the Company's operations, should any Company personnel or contractors be infected, it could result in the Company's operations being suspended or otherwise disrupted for an unknown period of time, which may have an adverse impact on the Company's operations as well as an adverse impact on the financial condition of the Company.

Supply chain disruptions resulting from the COVID-19 pandemic and measures implemented by governmental authorities around the world to limit the transmission of the virus (such as travel bans and quarantining) may, in addition to the general level of economic uncertainty caused by the COVID-19 pandemic, also adversely impact the Company's operations, supply chains, financial position and prospects, and are likely to be beyond the control of the Company.

Furthermore, the prices at which the Company's listed Securities trade may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19.

The Company will update the market about any material impact of COVID-19 on its business.

2.2 General risks**(a) Economic and government risks**

The future viability of the Company is also dependent on a number of other factors affecting performance of all industries including, but not limited to, the following:

- (i) general economic conditions in jurisdictions in which the Company operates;
- (ii) changes in government policies, taxation and other laws in jurisdictions in which the Company operates;
- (iii) the interpretation of taxation laws by the relevant taxation authority differing from the Company's interpretation;
- (iv) the strength of the equity and share markets in Australia and throughout the world;
- (v) movement in, or outlook on, exchange rates, interest rates and inflation rates in jurisdictions in which the Company operates; and
- (vi) natural disasters, industrial disputes, social upheaval or war in jurisdictions in which the Company operates.

(b) Financial markets risks

Share market conditions may affect the value of the Company's quoted or unquoted Securities regardless of the Company's operating performance.

Share market conditions may be affected by many factors including, but not limited to, the following:

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

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Risk of litigation, claims and disputes**

The Company is exposed to the risk of actual or threatened litigation or legal disputes in the form of claims by shareholders, regulatory authorities, employees, competitors or joint venture partners, personal injury and property damage claims, environmental and indemnity claims, employee claims, and other litigation and disputes. The Company may also need to institute proceedings from time to time, such as to defend a proprietary right. There is a risk that such litigation, claims and disputes could materially and adversely affect the Company's operating and financial performance due to the cost of defending and/or settling such claims, and could affect the Company's reputation.

(d) **Investment risk**

An investment in the Options to be issued pursuant to this Prospectus should be considered speculative. They carry no guarantee as to market value of the Options. There is also no guarantee as to the payment of dividends, return of capital or the market value of any Shares issued on exercise of the Options. The prices at which an investor may be able to trade or otherwise deal with the Options (whether listed or unlisted) or Shares may be above or below the price paid to exercise the Options. Prospective investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate to their own circumstances.

(e) **Dilution risk**

The Company may undertake capital raisings in the future to raise funds, facilitate employee share plans or fund growth and other strategic initiatives. While the Company will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital that it is able to issue within a 12 month period, Shareholders at the time may be diluted as a result of such capital raisings.

(f) **Legislative risk**

Changes in government regulations and policies, including potential changes to Australia's tax laws and foreign tax laws relevant to the Company, may adversely

affect the financial performance or the current and proposed operations of the Company.

2.3 Investment speculative

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, the value of the Options offered under this Prospectus or the value of Shares issued on exercise of those Options. Therefore, the Options to be issued pursuant to this Prospectus carry no guarantee with respect to the market value of those Options. Furthermore, the Shares issued on exercise of the Options carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Options pursuant to this Prospectus.

3 Effect of the Offer

3.1 Capital structure on completion of the Offer

The effect of the Offer on the capital structure of the Company is set out below:

Securities	At the date of this Prospectus		On completion of the Placement and Offer	
	Number	Percentage (fully diluted)	Number	Percentage (fully diluted)
Shares	79,966,002	98.16%	91,627,002	90.31%
Options	1,500,000	1.84%	9,830,500	9.69%
Total	81,466,002	100.00%	101,457,502	100.00%

The above table assumes that no other Securities are issued or cancelled between the date of this Prospectus and completion of the Offer.

3.2 Financial effect of the Offer

There are no proceeds from the Offer as the New Options are free attaching to the Placement Shares on a 1:2 basis. The expenses of the Offer (as set out in Section 4.10) will be met from the Company's existing cash reserves. As such, the Offer will reduce the Company's cash reserves by approximately \$18,206 excluding GST.

It is noted that the Company will raise \$1,632,540 under the Placement (before costs), which the Company intends to apply in accordance with the table set out below:

Item of expenditure	Amount	Percentage
Webbs Consol 2,000 metres drilling program	\$600,000	36.75%
Uralla Gold 1,000 metres drilling program	\$400,000	24.50%
Other exploration projects	\$200,000	12.25%

Item of expenditure	Amount	Percentage
Administration and overheads	\$316,540	19.39%
Costs of the Placement	\$116,000	7.11%

The above is a statement of current intentions at the date of this Prospectus. Intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Directors reserve the right to alter the way the funds are applied on this basis.

3.3 Effect of control on the Company

The Offer will not have a material impact on the control (as defined in section 50AA of the Corporations Act) of the Company. No investor or existing Shareholder will have a voting power greater than 20% as a result of the completion of the Offer.

The maximum number of Options proposed to be issued under the Offer is 8,330,500 Options. If all these Options are exercised, the Shares issued on exercise will represent approximately 8.21% of the Shares on issue following completion of the Offer.

3.4 Pro forma statement of financial position

Annexure A contains an unaudited pro forma statement of financial position of the Company prepared using the audited statement of financial position of the Company as at 31 December 2021 and on the basis of the accounting policies normally adopted by the Company and reflecting the changes to its financial position as a result of the Offer and the Placement.

The statement of financial position has been prepared to provide information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company. 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 the Australian Accounting Standards applicable to financial statements.

3.5 Market price of Shares

The highest and lowest market sale prices of the Company's Shares on ASX during the three (3) months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

Highest: \$0.20 per Share on 21 June 2022

Lowest: \$0.145 per Share on 14 June 2022

The last available market sale price of Shares on ASX prior to the date of this Prospectus was \$0.165 per Share on 18 August 2022.

No Options have been listed in the three months immediately preceding the date of lodgement of this Prospectus with ASIC.

3.6 Dividend policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

4 Additional information

4.1 Rights attaching to Options

A summary of the rights attaching to Options is set out below:

(a) **Options**

All New Options offered under this Prospectus will be issued on the same terms and conditions.

(b) **Entitlement**

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

(c) **Issue price**

The Options are being issued at a nil issue price.

(d) **Exercise price**

The amount payable upon exercise of each Option is \$0.24 (**Exercise Price**).

(e) **Expiry date**

Each Option will expire on the second anniversary of its issue date (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(f) **Exercise period**

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

If the holder of Options has acted fraudulently, dishonestly or in breach of its obligations to the Company (as determined by the Directors, acting reasonably), then the Options shall lapse upon written notification to the holder of Options.

(g) **Notice of Exercise**

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

(h) **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 the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

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

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

- (A) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the

Notice of Exercise and for which cleared funds have been received by the Company;

- (B) 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
- (C) if the Company is admitted to the Official List of ASX at the time, apply for official quotation on ASX of the Shares issued pursuant to the exercise of the Options.

If a notice delivered under paragraph 4.1(i)(B) 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 a 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.

(j) **Quotation**

The Company will seek quotation of the Options in accordance with the ASX Listing Rules and Corporations Act, subject to satisfaction of the quotation conditions of the ASX Listing Rules. The Company does not guarantee that the Options will be admitted for Official Quotation by ASX or that the Options will be able to be traded on the Official List of ASX. In the event that quotation of the Options cannot be obtained, the Options will be issued but will be unlisted.

(k) **Shares issued on exercise**

All Shares issued on exercise of the Options will rank equally with the Shares on issue at that time. The Company will seek quotation of the Shares in accordance with the ASX Listing Rules and Corporations Act, subject to satisfaction of the quotation conditions of the ASX Listing Rules.

(l) **Reconstruction of capital**

If prior to the Expiry Date there is a reorganisation of the issued capital of the Company, the rights of a holder of Options will be changed to the extent necessary to comply with the applicable ASX Listing Rules in force at the time of the reorganisation.

(m) **Participation in new issues**

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

(n) **Change in exercise price**

An Option does not confer the right to a change in exercise price or a change in the number of underlying Shares over which the Options can be exercised.

(o) **Transferability**

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

(p) **ASX Listing Rules**

The rights of an Option holder may be changed to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

4.2 **Rights attaching to Shares**

Each Option entitles the holder to be issued one Share on exercise of that Option. A summary of the rights attaching to Shares is set out below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution will be provided by the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. To obtain a definitive assessment of the rights and liabilities which attach to Shares in specific circumstances, you should seek legal advice.

(a) **Reports and notices**

Shareholders are entitled to receive all notices, reports and other documents that are required to be furnished to Shareholders under the Constitution and Corporations Act.

(b) **General meetings**

At general meetings of the Company, Shareholders are entitled to attend and vote in person, by proxy, by attorney or, in the case of a corporation, by its representative. Shareholders may requisition meetings in accordance with the Corporations Act and the Constitution.

(c) **Voting**

Subject to any rights or restrictions attached to any class of shares at the time, every Shareholder present in person, by proxy, by attorney or, in the case of a corporate representative, by its representative at a general meeting of the Company has one vote on a show of hands and, on a poll, has one vote for each fully paid Share. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

(d) **Dividends**

Subject to the Corporations Act, the Directors may declare and authorise the distribution of dividends from the profits of the Company to be distributed to Shareholders according to their rights and interests. Subject to any special rights or restrictions attaching to any Shares, all dividends shall be declared and paid to Shareholders in proportion to the number of Shares held by them irrespective of the amount paid or credited as paid on the Shares on which the dividend is to be paid.

(e) **Rights on winding up**

The Shares all rank equally in the event of a winding up of the Company. Subject to any special rights and restrictions attaching to any shares, if the Company is wound up and after all the liabilities of the Company had been

satisfied, the remaining assets of the Company must be distributed to Shareholders entitled to it in proportion to the number of Shares held by each of them, regardless of the amounts paid up on the Shares.

If the Company is wound up, a liquidator may, with the sanction of a special resolution of Shareholders, divide the whole or any part of the remaining assets of the Company and determine how the division is to be carried out between the members or different classes of members.

(f) Issue of Shares

Without prejudice to any special rights conferred on the holders of any Shares or class of shares, and subject to the Constitution, the Corporations Act and the ASX Listing Rules, the Directors may issue shares on such terms and conditions as the Directors think fit.

If, at any time, the share capital of the Company is divided into different classes of shares, the rights attached to any class may be varied with the consent in writing of the holders of 75% of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. The rights conferred on the holders of any class of shares shall not, subject to the Constitution or as expressly provided by the terms of the issue of the shares of that class, be taken to be varied or cancelled by the creation or issue of further shares ranking equally with the first mentioned shares.

(g) Transfer of Shares

Subject to the Constitution, the Corporations Act, ASX Listing Rules and any other laws, the Shares are freely transferrable.

A member may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by ASX or the Corporations Act for the purpose of facilitating transfers in Shares, or by an instrument in writing in a form approved by ASX or in any other form approved by the Directors.

The Directors may decline to register a transfer of shares where permitted by the ASX Listing Rules, the Corporations Act or any other laws.

4.3 Company is a disclosing entity

The Company is a disclosing entity under the Corporations Act. As a disclosing entity, it is subject to regular reporting and disclosure obligations under both the Corporations Act and the ASX Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the securities market conducted by ASX. In particular, the Company has an obligation under the ASX Listing Rules (subject to certain limited exceptions) to notify ASX once it becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit review or report.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (as described in Section 4.4 below).

4.4 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an ASIC office. The Company will provide free of charge to any person who requests it during the period of the issue a copy of:

- (a) the Half Yearly Report of the Company for the financial year ended 31 December 2021, being the last half year for which a half yearly report has been lodged with ASIC in relation to the Company before the issue of this Prospectus; and
- (b) the following continuous disclosure notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Half Yearly Report referred to in paragraph (a) and before the date of issue of this Prospectus:

Date	Headline
18/08/2022	Phase II Drilling to Commence at Webbs Consol
17/08/2022	Proposed issue of securities – LDR
17/08/2022	Completion of Placement
15/08/2022	Trading Halt
29/07/2022	Quarterly Activities Report
29/07/2022	Quarterly Cash Flow
25/07/2022	Mineralisation Extended to 150m Depth at Webbs Consol
18/07/2022	Most Significant Drill Intercepts to Date at Webbs Consol
07/07/2022	Further Mineralised Lodes Discovered at Webbs Conso
23/06/2022	Another Thick (31.0m) Intercept of Sulphide Mineralisation
21/06/2022	Over 1,000g/t Silver Eq Intercepted at Tangoa West
20/06/2022	Trading Halt
06/06/2022	Market Update
02/06/2022	Drilling Intersects 26.5m of Lead-Zinc-Silver Mineralisation
31/05/2022	High grade silver-lead-zinc drill results
28/04/2022	Quarterly Cash Flow Report
28/04/2022	Quarterly Activities Report
14/04/2022	Outstanding Metal Recoveries in Trough Gully Testwork
05/05/2022	Significant Sulphide Mineralisation at Mt Galena Prospect
24/03/2022	Drilling Recommences at Webbs Consol Silver-Base Metals

The following documents are available for inspection throughout the application period of this Prospectus during normal business hours at the registered office of the Company at Level 30, 264-278 George Street, Sydney NSW 2000:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents provided by the Directors to the issue of this Prospectus.

4.5 **Information excluded from continuous disclosure notices**

There is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules and which is information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of the Company and the rights and liabilities attaching to the Options or Shares.

4.6 **Determination by ASIC**

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the New Options under this Prospectus.

4.7 **Directors' interests**

(a) **Interests**

Except as disclosed in this Prospectus, no Director and no firm in which a Director has an interest:

- (i) has any interest, nor has had any interest in the last two years prior to the date of this Prospectus, in the formation or promotion of the Company, the Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (ii) has been paid or given, or will be paid or given, any amount or benefit to induce them become, or to qualify as, a Director, or otherwise for services rendered by them in connection with the formation or promotion of the Company or the Offer.

(b) **Directors' holdings**

Set out in the table below are details of Directors' relevant interests in the Securities of the Company at the date of this Prospectus:

Director	Shares		Options	
	Number	% of total shares	Number	% of total options
Andrew Van Heyst	21,250,001	26.57%	-	
Edward Jan Leschke	20,750,001	25.95%	-	

Director	Shares		Options	
	Number	% of total shares	Number	% of total options
Keith Mayes	300,000	0.38%	500,000	33.33%
Jason Beckton	200,000	0.25%	500,000	33.33%

None of the Directors will participate in the Placement, nor will they participate in the Offer.

(c) **Remuneration of Directors**

The table below sets out the remuneration provided to the Directors or their related entities for the preceding two financial years prior to this Prospectus.

Director	Financial year	Salary and fees	Superannuation	Cash bonus	Total
Andrew Mark Van Heyst	2022	\$125,000	\$12,500	-	\$137,500
	2021	-	-	-	-
Edward Jan Leschke	2022	\$200,000	\$20,000	-	\$220,000
	2021	-	-	-	-
Jason Michael Beckton	2022	\$50,000	-	-	\$50,000
	2021	-	-	-	-
Keith Anthony Mayes	2022	\$50,000	-	-	\$50,000
	2021	-	-	-	-

4.8 **Substantial holders**

Substantial holders in the Company, as disclosed in substantial holding notices given to the Company, are set out below:

Substantial holder	Shares	
	Number	Percentage
Andrew Van Heyst	21,250,001	26.57%
Edward Leschke	20,750,001	25.95%
Michael Ruane	7,050,000	8.82%

The Offer will have no effect on the quantity of Shares held by the substantial holders as only Options are being issued.

4.9 Interests of named persons

Except as disclosed in this Prospectus, no director, proposed director, or promoter of the Company, other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus, or underwriter to the issue or sale of financial services licensee named in the Prospectus as a financial services licensee involved in the issue or sale:

- (a) has any interest, nor has had any interest in the last two years prior to the date of this Prospectus, in the formation or promotion of the Company, the Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (b) has been paid or given, or will be paid or given, any amount or benefit in connection with the formation or promotion of the Company or the Offer.

Thomson Geer has acted as solicitors to the Offer and will be paid approximately \$15,000 (plus GST) for services related to this Prospectus. Further amounts will be paid to Thomson Geer in accordance with its normal time-based charges.

It is noted that the Lead Manager, DealAccess Pty Ltd, were paid a management fee of 2% (plus GST), and a placement fee of 4% (plus GST), of the funds raised under the Placement for the provision of those services. They will also be issued 2.5 million of the New Options available under this Prospectus for the provision of those services, which will constitute 2.43% of the total Securities on issue on completion of the issue of the New Options (assuming no other changes to the Securities on issue between the date of this Prospectus and such completion).

4.10 Expenses of the Offer

The estimated expenses of the Offer are approximately \$18,206 (excluding GST) comprising legal fees and ASIC lodgement fees. These expenses will be deducted from the Company's cash reserves.

Expenses	Amount
Legal fees	\$15,000
ASIC fees	\$3,206

4.11 Litigation

The Company is not presently party to any legal proceedings that, in the opinion of the Company, would reasonably be expected to have a material adverse effect on its business, financial condition, operating results or cash flows if determined adversely against the Company.

5 Authorisation

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:



Andrew Van Heyst, Chairman

Dated: Friday, 19 August 2022

6 Glossary

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ means Australian dollars.

AEDT means Australian Eastern Daylight Time, being the time in Sydney, New South Wales.

Applicant means a person who submits an Application Form.

Application Form means the application form sent with this Prospectus.

ASIC means the Australian Securities and Investments Commission.

ASTC means ASX Settlement Pty Limited ACN 008 504 532.

ASX means ASX Limited ACN 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

ASX Announcements has the meaning given to that term in Section 1.12.

ASX Listing Rules means the listing rules of ASX.

Australian Accounting Standards means accounting standards applicable pursuant to section 334 of the Corporations Act relating to the preparation of accounts, interpretations of those accounting standards approved by the Australian Accounting Standards Board, the Australian International Financial Reporting Standards and requirements of the Corporations Act relating to the preparation and contents of financial reports.

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.

CHESS means ASX Clearing House Electronic Subregister System.

Closing Date means Thursday, 25 August 2022 or such later date as the Directors may determine.

Company means Lode Resources Limited ACN 637 512 415.

Company Secretary means the company secretary of the Company.

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

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

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

Half Yearly Report means the financial report lodged by the Company with ASIC in respect of the financial year ended 31 December 2021 and includes the corporate directory, chairman's report, review of activities, Shareholder information, financial report of the Company and its controlled entities, together with a Directors' report in relation to that financial year and the auditor's report.

Issuer Sponsored means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

Lead Manager means DealAccess Pty Ltd, known as DealAccess powered by PAC Partners.

New Options has the meaning given to that term in Section 1.1.

Offer has the meaning given to that term in Section 1.1.

Official List means the official list of ASX.

Official Quotation means quotation of Options on the Official List.

Opening Date means Monday, 22 August 2022.

Option means an option to acquire one Share.

Placement has the meaning given to that term in Section 1.1.

Placement Participants has the meaning given to that term in Section 1.1.

Placement Shares has the meaning given to that term in Section 1.1.

Prospectus means this prospectus dated Friday, 19 August 2022.

Registry means Advanced Share Registry Services Limited

Section means a section of this Prospectus.

Securities means Shares and Options.

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

Shareholder means a holder of Shares.

Annexure A

Pro forma statement of financial position

LODE RESOURCES LIMITED

PRO FORMA STATEMENT OF FINANCIAL POSITION

	Audited 31 December 2021 \$	Effect of the Placement (less costs) \$	Effect of the exercise of Options under the Offer \$	Proforma as a result of the Placement and Offer \$
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	3,488,178	1,516,382	1,999,320	7,003,880
Trade and other receivables	110,552			110,552
Other assets	4,456			4,456
Total Current Assets	3,603,186	1,516,382	1,999,320	7,118,888
NON-CURRENT ASSETS				
Property, plant and equipment	49,444			49,444
Exploration and evaluation assets	1,229,934			1,229,934
Other financial assets	154,528			154,528
Total Non-Current Assets	1,433,906	1,516,382	1,999,320	1,433,906
TOTAL ASSETS	5,037,092	1,516,382	1,999,320	8,552,794
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	387,901			387,901
Provisions	21,139			21,139
Lease liabilities	31,961			31,961
Total Current Liabilities	441,001	-	-	441,001
NON-CURRENT LIABILITIES				
Lease liabilities	18,216			18,216
Total Non-Current Liabilities	18,216	-	-	18,216
TOTAL LIABILITIES	459,217			459,217
NET ASSETS	4,577,875	1,516,382	1,999,320	8,093,577
EQUITY				
Issued capital	5,611,514	1,241,382	2,274,320	9,127,216
Reserves	135,000	275,000	(275,000)	135,000
Accumulated losses	(1,168,639)			(1,168,639)
TOTAL EQUITY	4,577,875	1,516,382	1,999,320	8,093,577